

## Why this EP compromise deal is WORSE than the original Commission's proposal

### Colour-code:

**RED:** elements of the compromise deal that are WORSE than the Commission proposal

**PURPLE:** key aspects where the COMENVI opinion improved the Commission proposal but which are not included in the compromise deal

**GREEN:** elements of the compromise deal that are better than the Commission proposal (though not necessarily sufficient)

Area of 'green architecture'	Commission Proposal	EPP-RE-S&D deal
<p><b>Compared to the Commission proposal, the compromises are seriously weakening down the baseline (called 'conditionality') requirements for farmers receiving the direct payments and other hectare based payments. And the compromises are exempting certain groups from the conditionality.</b></p>		
<p>Art 12 - Conditionality  (i.e. the mandatory baseline for everyone getting basic subsidies)</p>	<p>Conditionality applies to <b>all beneficiaries</b> of Basic Income Support, Coupled Support, Eco-schemes, and specific Rural Development measures</p>	<p>Introduces several exemptions and blurs the distinction between the mandatory baseline and voluntary paid schemes:</p> <ul style="list-style-type: none"> <li>• Organic farmers exempted from crop rotation (GAEC 8)</li> <li>• Outermost regions exempted from all former Greening rules now under conditionality (GAECs 1, 2, 8, 9)</li> <li>• Farmers paid under eco-schemes to deliver practices of higher ambition than GAECs 1, 2, 8, 9 would be "exempted" from having to apply those GAECs.</li> </ul>
<p>Annex III - Conditionality  (i.e. the mandatory baseline for everyone getting basic subsidies)</p>	<p>'Appropriate protection of Peatlands' (GAEC 2)</p>	<p>'Maintenance' of peatlands, meaning they can remain in their drained state (agriculture on peatlands is responsible for 150Mt CO2e per year, 4% of all EU's GHG emissions)</p>
	<p>Buffer strips along water courses (GAEC 4)</p>	<p>Minimum 3m width and no pesticides or fertilisers used</p>
	<p>Mandatory 'farm sustainability tool for nutrients' (GAEC 5)</p>	<p>Deleted.  The tool simply provides farmers with an application to control the flow of nutrients in their farm, without any obligation to meet targets. It is just a tool to ensure that farmers are aware of the nutrients flow in their farm.</p>
	<p>Minimum % of habitat for nature on all types of farm, strictly non-productive (GAEC 9)</p>	<p>5%, limited to arable land (exempting 40% of farmland), but rather than being strictly non-productive, which is key for biodiversity, a footnote seems to add a massive loophole by allowing current flexibilities and productive options which are proven to be ineffective for biodiversity. (to be checked in final AMD)</p>

	Ban on ploughing and conversion of permanent grasslands in Natura 2000 sites (EU protected areas) (GAEC 10)	<p>Removal of the ban - instead, must be 'appropriately protected' according to the site plan, but the majority of sites either don't have a management plan or have one that's not legally binding, and most existing plans don't contain agricultural prescriptions.</p> <p>In sum, this weaker provision creates a risk of losing some of the most valuable grasslands in nature reserves where these plans are not yet in place.</p>
	Livestock density - Nothing	COMENVI added a GAEC 3a to ensure payments only go to extensive farms (only pay those with less than 0.7LSU/HA. This is essential for climate, water and air quality, and biodiversity)
	Minimum crop rotation (GAEC 8)	Minimum crop rotation with a leguminous crop (better than EC proposal, but worse than COMENVI report which asked for minimum 4 year crop rotation with leguminous crop)
	Pesticides - key articles missing from SMRs that would link CAP support to compliance with laws on pesticide use	None of the key articles, which had been added by COMENVI, are added in this compromise
	Animal welfare/ registration of animals in SMRs - various legislative acts and articles that farmers will in theory be checked for, with risk of losing CAP payments if not in compliance	The compromise deletes articles that farmers will be checked on, in direct contradiction with the Farm to Fork Strategy's commitment to enhance animal welfare.
<b>Compared to the Commission Proposal, the compromise is improving the Farm Advisory Services (FAS) by allocating a minimum amount of resources for advice covering environment.</b>		
Article 13	The areas covered by the advice are only generally indicated, with no emphasis on practices beneficial to climate and biodiversity	Specifies that FAS should be independent and requires Member States to allocate a minimum of 30% of FAS funding for advisory services and technical assistance covering environmental objectives
<b>The quality of eco-schemes is seriously weakened in comparison to the Commission proposal.</b>		
Art 28 Eco-schemes	Eco-schemes must be "designed to meet one or more of the specific environmental- and climate-related objectives laid down in points (d), (e) and (f) of Article 6(1)".	The compromise amendments (now divided in 3 articles: 28, 28b and 28c) strongly undermine the quality of eco-schemes, which

	<p>Practices covered by eco-schemes must go beyond:</p> <ul style="list-style-type: none"> <li>• Rules set out in conditionality</li> <li>• Mandatory requirements established by national and Union law</li> </ul> <p>Eco-schemes are paid exclusively per hectare</p>	<p>are hollowed out by:</p> <ul style="list-style-type: none"> <li>• <b>new economic criteria</b> (specific objective (a) and (b) of Art. 6)</li> <li>• new list of aspects which must be covered by eco-schemes contains several elements <b>simply requiring the maintenance of the current situation</b>. While this can make sense in cases like maintenance of organic or HNV farming, it is written in such a way that it would be possible even when the baseline is very low (e.g. maintenance of soil carbon). The list also <b>includes precision farming without conditions on actual environmental benefits</b>.</li> <li>• Aspects of <b>conditionality are brought into eco-schemes</b> (GAEC 2 and GAEC 5), meaning what was going to be mandatory for all farmers in the COM proposal becomes voluntary and paid extra.</li> <li>• “National law” crossed off from the baseline for eco-schemes means <b>Member States are allowed to compensate farmers for the compliance with national law</b></li> <li>• Animal welfare as well as other vague “societal objectives” (specific objective i) added to eco-schemes, with the possibility to pay farmers per unit of livestock, which <b>opens the door to hidden support to factory farms</b></li> </ul> <p>This could lead to large farms and land-owners receiving thousands of euros without having to do anything for it.</p>
<p><b>The compromises are seriously undermining the heart of the environmental, nature and climate measures in the European Union: the Agri-Environment and Climate Measures both in content and in financial incentive for these schemes.</b></p>		
<p>Art 65 - Agri-Environment Climate measures in Pillar 2</p>	<p>Agri-Environment-Climate Measures (AECMs) are a continuation of previous targeted measures focused on environment and climate.</p> <p>No limits on amounts paid to beneficiaries for AECMs</p>	<p>Agri-Envi-Climate Measures are weakened on several fronts:</p> <ul style="list-style-type: none"> <li>• “National law” crossed off from the baseline for eco-schemes means <b>Member States are allowed to compensate farmers for the compliance with national law</b></li> <li>• Addition of <b>maximum limits on the rates Member States can pay for</b></li> </ul>

	<p>Practices covered by AECMs must go beyond requirements established by national and Union law</p>	<p><b>AECMs</b>, which could prevent Member States funding very ambitious (“dark green”) scheme, unless a derogation is in place (as is currently the case)</p> <ul style="list-style-type: none"> <li>• “Management of natural risks” is added to AECMs. Based on past experience of how Member States use such vague language, we are concerned this could <b>open the door to non-environmentally beneficial, or even harmful subsidies</b>, e.g. increased irrigation to manage droughts. The focus ought to be on prevention.</li> </ul> <p>The deal on Article 65 also includes some new positive wording, however those are not sufficient to counterbalance the above concerns</p> <ul style="list-style-type: none"> <li>• Member States must put in place necessary advice, training and knowledge transfer to assist farmers who change their production systems.</li> <li>• Member States may grant annual support for whole-farm programs targeted on holistic transformation of farming systems towards the objectives of this paragraph.</li> </ul>
<p><b>The Commission proposed a weak approach to minimum spending on the environment and climate (originally just in Pillar 2 and then after the Green Deal also for eco-schemes in Pillar 1), even if the compromises are putting 30% for eco-schemes, it is also adding in all kinds of other minimum spending requirements including for the most harmful and “do-nothing” subsidies. Minimum Spending is not just about how much money you spent but also the quality of spending and that is in both cases very questionable.</b></p>		
<p>Art 86 Ringfencing</p>	<p>Rural development budget for environment:</p> <ul style="list-style-type: none"> <li>• 30% for the environment, climate and biodiversity objectives (d-e-f),</li> <li>• excluding payments for Areas facing natural constraints (ANCs)</li> </ul> <p>The EC proposal was justified, as ANC payments are rather an additional form of income support and not linked to environmental delivery (and sometimes even have adverse effects).</p>	<p>35%, but ANCs will partially count towards the budget for environment measures (i.e. 40% of ANC spending will count), and the scope is enlarged to an additional vague objective on “societal demands” (Art. 6(i)).</p> <p>Better than Council who want all ANCs to count, but definitely worse than Commission proposal, as ANC currently eat up around 40% of the Rural Development ‘environmental’ budget, so including them in the ringfencing, even partially, effectively reduces funds available for real environmental measures</p>
	<p>Money for Ecoschemes - must be provided, but original 2018</p>	<p>Specific 30% for ecoschemes (Council</p>

	<p>proposal did not allocate a budget to them</p> <p>Commission has voiced support for ringfencing a budget for ecoschemes, but has not specified how much</p>	<p>proposing 20%) (however, see above how the quality of the ecoschemes is hollowed out)</p>
	<p>The commission did not propose a ringfencing for Direct Payments or for investments and risk management issues, which de facto already take up the bulk of Pillar 1 and 2 budgets, respectively.</p>	<p>At least 60% of Pillar 1 ring fenced for business as usual or harmful subsidies (Basic Income Support + Redistributive payments + Coupled support + Sectoral support). This stops Member States from going further in their ambitions for Eco-schemes and defends the least effective payments and actively harmful ones (coupled support which mostly goes to livestock, but also biofuels).</p> <p>30% of Pillar 2 ring fenced for investment support, risk management and other payments that support economic objectives - risk of billions in harmful spending on intensification measures (e.g. new machinery, new livestock stables, irrigation expansion). It has never been a risk that agri ministries would not spend enough on these measures, but this locks them into spending at least 30% on it.</p>
<p><b>The compromises are scrapping the fake climate tracking, this is an improvement in comparison to the Commission proposal.</b></p>		
<p>Art 87 - Climate Tracking</p>	<p>The Commission proposed a flawed tracking methodology for “climate mainstreaming”, where 40% of Income Support and ANC payments count as “climate spending”, allowing it to claim that 40% of CAP budget would be “climate spending”.</p>	<p>The compromises remove this fake tracking and ask the Commission to come up with a proper methodology for determining climate spending.</p> <p>If only eco-schemes and AECMs (excluding ANC) count towards “climate spending”, which given the weakened conditionality is the only credible option, the ringfencing proposed by this deal would only reach 102bn€ of “climate spending”, assuming 100% of eco-schemes and AECMs count towards it (even if some measures are focused on other issues with no proven benefit for climate). This is 36bn€ short of the stated goal of spending 40% of the CAP on climate action, which amounts to 138bn€.</p>