



**Promoting a more resource efficient, greener and
more competitive economy:
CAP's contribution to sustainable growth**

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Sustainable Growth – Evolution of a Strategic Priority



- 1988 Declaration on the Environment, signed by EU Heads of State
 - “Sustainable development must be one of the overriding objectives of all Community policies”
 - Identifies the need for solutions to environmental problems “in the interest of *sustained growth* and a better quality of life”
- 1990 Rome Summit
 - Commitment made to environmental protection in order to ensure *sustainable growth*
- 1992 Maastricht Treaty of the European Union
 - Gives legal force to the integration principle
 - Promotes “sustainable and non inflationary growth respecting the environment” (Article 2).
- 2000 Lisbon Strategy for Growth and Jobs
- 2001 EU Sustainable Development Strategy (revised in 2006)
- 2010 EU 2020 Strategy.

The EU-2020 Strategy – Guiding Principles



Sets out a vision of Europe's social market economy for the 21st Century.

Provides a strategic framework to turn the EU into a “smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion.”

Europe 2020 puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

Defining Sustainable Growth



“Sustainable growth means building a resource efficient, sustainable and competitive economy ... ” (Europe 2020)

The contribution of the agriculture sector:

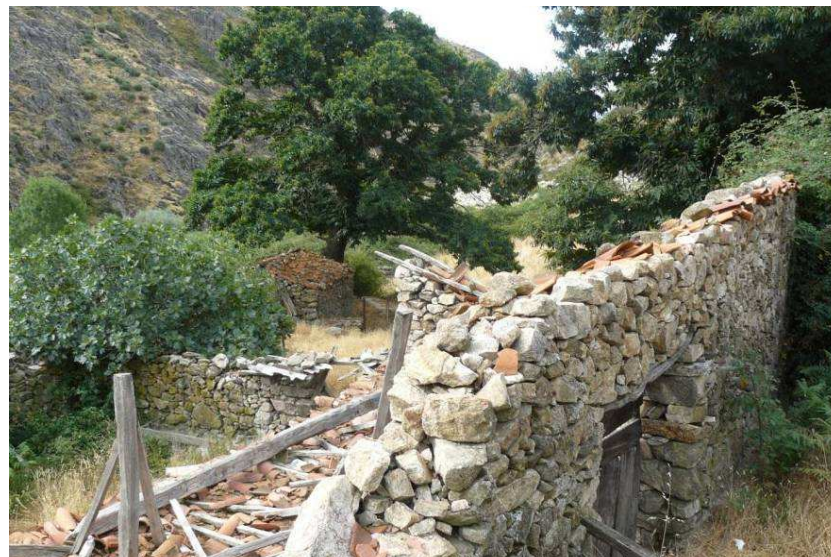
“Maintaining agricultural activity throughout the EU territory plays a key role in the sustainable use of resources, job creation and helping to meet the food challenge, while bringing public benefits to the environment such as the preserving of habitats, biodiversity and attractive rural areas. However, sustainable growth cannot be achieved unless the relevant social, environmental and economic aspects are tackled together.”

Working Document prepared by the Spanish Presidency (18 May 2010) –
‘Agriculture and CAP Reform in the Perspective of the EU2020 Strategy’.

Sustainable Growth of the EU's Agriculture Sector



Conflicts



Role of CAP in promoting sustainable growth



“The EU 2020 Strategy relates to sustainable growth, smart growth and inclusive growth – and I think we all agree that the CAP can play a central role in providing these elements in the future”

Agriculture Commissioner, Informal Ag Council Meeting, Spain (1 June 2010)

Increasing the competitiveness of agriculture

Supporting the delivery of environmental and social public goods

Increasing the efficiency of resource use and promoting sustainable land management

Reducing greenhouse gas emissions from agriculture

Promoting investment in and adoption of green technology

Investment in the development of skills and training.



The CAP – Supporting Environmental Delivery



3 main measures – all in Axis 2: Agri-Environment, Natural Handicap Payments, Natura 2000.

Account for almost 40% of total planned public expenditure for Rural Development for 2007-2013.

Focus predominantly on maintaining and enhancing:

- Biodiversity

- Cultural landscapes

- Soil and water quality

Climate is a new and emerging priority - not often formally expressed, although many actions already incentivised under other priorities are relevant.

Evidence of **second order socio-economic** effects:

Environmental natural assets create opportunities for tourism, recreation, inward investment, added value - premium price for products.

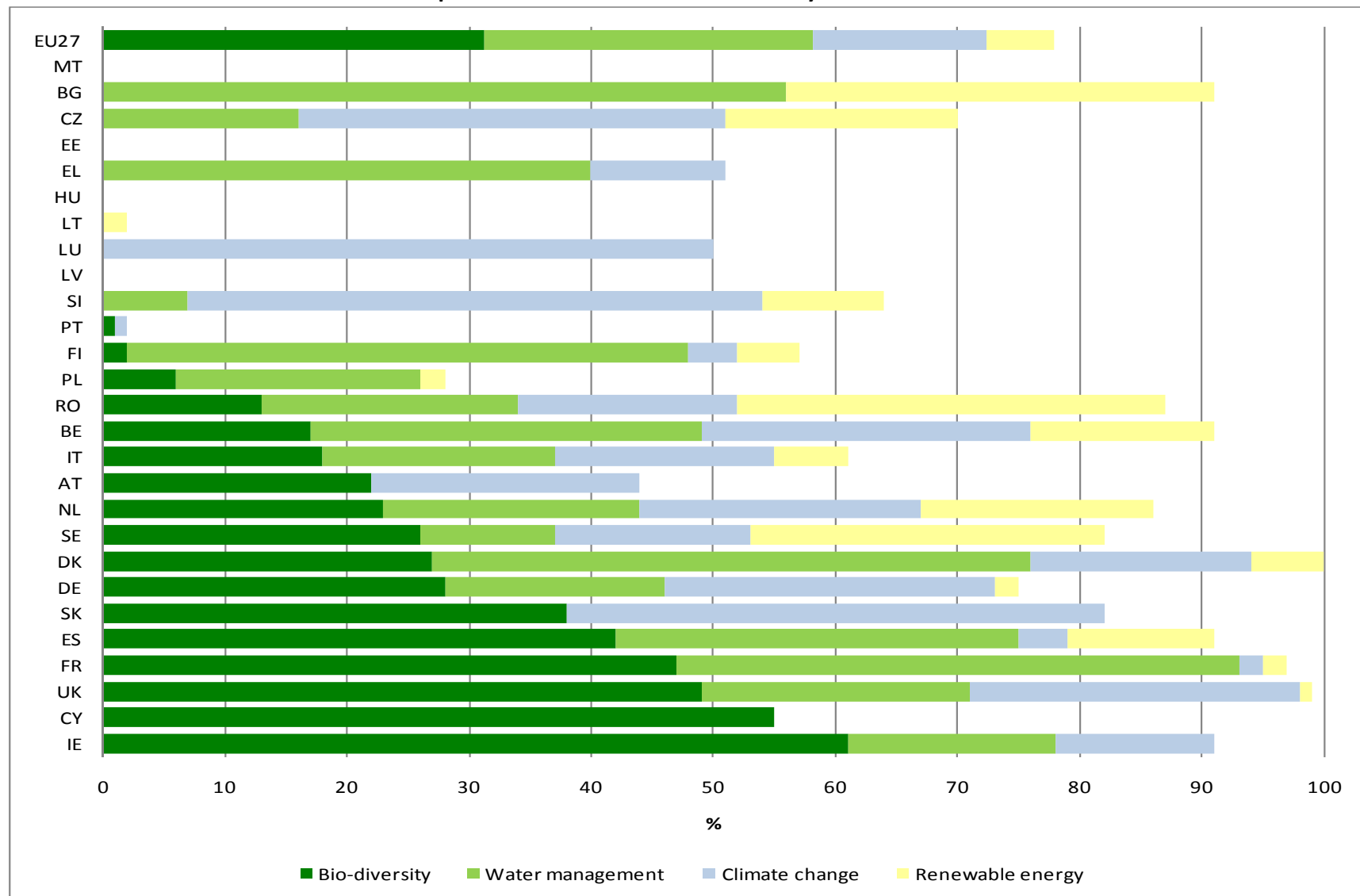
Environmentally sustainable production practices can promote traditional rural skills, develop new skills, sustain local customs.



“New Challenges” Budget Allocations



Use of additional funds made available through the CAP Health Check and the European Economic Recovery Plan



A Range of Agri-Environment Priorities



England: multi-tiered scheme (ELS, OELS, HLS) focused on biodiversity, landscape, cultural heritage, resource protection and access



Navarra: Horizontal schemes (organic farming, rare breeds, maintenance of biodiversity and landscape). Zonal scheme to protect steppe habitats. Priorities: soil erosion, water availability and quality, preventing habitat loss.



Organic, integrated farming, genetic resources across whole area. Biodiversity and landscape protection focused on delivery through Integrated Territorial Interventions - mainly N2K areas.



'Basic' and 'additional' measures largely focused on reducing water pollution and soil erosion. 'Special' measures exist to enhance biodiversity and landscape diversity, but limited.



Biodiversity, water and soil quality, delivered through organic and integrated farming, grassland maintenance, arable management. Specific options for endangered birds.



Horizontal scheme. Priorities: Environmentally friendly management practices; cultural landscape and biodiversity; soil, climate and water protection – 30 actions



Horizontal and zonal schemes. Focused on soil and water protection, biodiversity (N2K and important bird species) and genetic resources.



Horizontal and zonal schemes. Strong biodiversity focus plus soil management through schemes for organic farming, genetic resources, HNV farming, landscape features and soil and water protection



Promoting Environment and Resource Use Efficiency



- Capital investment measures, mainly in Axis 1:
 - Farm modernisation
 - Infrastructure development
 - Adding value to products
 - Semi-subsistence farming
 - Non-productive investments
 - Conservation and upgrading of the rural heritage
- Account for about 25% of total planned public expenditure for rural development for 2007-13.
- Environment is not core objective, however, where they are used to encourage delivery of environmental outcomes, they are achieved through improvements to:
 - Water use and energy savings
 - Recycling of agricultural waste
 - Good soil management
 - Reductions in greenhouse gas emissions
 - Investments in precision farming.



Promoting Environment and Resource Use Efficiency



Farm Modernisation



Investments in environmentally sound technology: grants to small farms prioritised on investments targeted at increasing water or energy savings. Focused at livestock sector mainly. Funds used to install photovoltaic panels, wind turbines, improving harvesting of rainwater for use in cleaning etc. In arable sector, investments in underground water reservoirs to collect rainwater for crop irrigation. High demand.



Champagne Ardennes - Plan Végétal pour L'Environnement: grants to farmers for investments in precision farming equipment with the aim of reducing pollution from pesticides and fertilisers, reduce soil erosion, reduce pressure on water resources, improve energy efficiency. Funded in conjunction with local authorities and water agencies. Extremely popular.

Infrastructure Development



Northern Ireland - Fivemiletown Creamery: introduction of new technology to make better use of waste products alongside improving the efficiency and profitability of the business. Investment in reverse osmosis plant has increased solid content of whey so that it can be sold to use in isotonic drinks rather than be used as pig feed. Whey now requires ¼ of previous space to transport, thereby reducing emissions from transport.



The CAP - Supporting Rural Vitality



- Range of measures, mainly in Axis 3 and Leader:
 - Conservation and upgrading of the rural heritage
 - Tourism Activities
 - Basic Services
 - Village Renewal
 - Diversification
 - Leader approach
- Account for 15-20% of total planned public expenditure for rural development for 2007-13
- Main focus is rural vitality, but also benefits for:
 - Landscape
 - Biodiversity
 - Tourism
 - Economic diversification.



Advice, Training and Capacity Building Measures



- Axis 1 measures for activities in agricultural sector
- Axis 3 measures for activities in rural areas more generally
- Leader approach also relevant
- Examples of advice and training activities funded:
 - Environmental management practices, including organic
 - Sustainable resource use
 - Developments in environmental technology
 - Improved nutrient management / input use
 - Energy efficiency
 - Demonstration projects



- Acknowledged as being one of most important requirements for achieving desired scheme/ measure outcomes
- BUT relevant measures only account for very small proportion of planned public expenditure for 2007-13.

The CAP Post-2013: Improving Environmental Delivery



- Coherent set of policy objectives with measures and payments targeted at the provision of environmental public goods.
- Publically legitimate policy – delivering broader strategic EU objectives.
- Allocation of funds between Member States on the basis of objective environmental criteria – significantly different distribution of funds.
- Sufficient budgetary resources to meet the scale of the costs associated with meeting environmental targets.
- Programmes and schemes administered within the frame of a “programming approach” – with robust monitoring and evaluation.
- ‘Pricing public goods’ – revisions to payment calculations.



Thank you for your attention

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