

# Design and Implementation of Eco-schemes in the new CAP Strategic Plans

Thematic Group - 1<sup>st</sup> meeting

The first meeting of the Thematic Group (TG) allowed members to exchange experiences on the current state of play and plans for the future of eco-schemes. Interactive sessions allowed them to identify and share what is working well, any issues arising and to explore how these could be overcome.

## State of play with eco-schemes



Leon van de Pol (DG AGRI) gave a <u>framing presen-</u> tation covering the variety of eco-schemes in the CAP Strategic Plans (CSPs). In total, there are 158

eco-schemes in the 28 CSPs. Most EU Member States have several eco-schemes, while six have only one following a whole farm approach. Eco-schemes address various environmental and climate objectives and work alongside other CAP interventions within the Green Architecture. Soil conservation, landscape, biodiversity, and grassland practices are the main ones supported. Most EU Member States submitted amendments in 2023, the majority of which are fine-tuning existing commitments to encourage uptake.

# Member States' perspectives on the design, implementation and future plans for eco-schemes

Representatives from four MAs briefly shared their experiences.

Anja Techen (Ministry of Food and Agriculture, <u>Germany</u>) provided an <u>overview of the design and im-</u> plementation of eco-schemes in Germany. Germany

has seven eco-schemes. Although they were not intended to cover a large area, uptake for all except the crop diversification one is lower than planned. The reasons for this are various and include the complexity of some of the schemes, the fact that they are new, market changes making premia less attractive and the temporary exemptions for GAEC 8 (Good Agricultural and Environmental Condition) in 2023. Germany plans to amend its CSP to simplify the schemes and increase certain payment rates. A discussion with stakeholders has been launched to inform further changes in 2025, including the potential for new schemes and an increase in environmental ambition, while maintaining uptake and keeping them simple.



Mar Llorente Alonso (Ministry of Agriculture, Fisheries and Food, **Spain**) presented the **Spanish perspective**. In Spain, eco-schemes are designed to reflect the

## **Event Information**

Date: 25 October 2023 Location: Virtual meeting Organisers: CAP Implementation Contact Point (CAPI CP) Participants: 52 participants from 22 EU Member States, including farmers and farmers' organisations, advisors, Managing Authorities (MAs), National Networks (NNs), Environmental NGOs, European and national/regional stakeholder organisations, farm advisors and the European Commission (DG AGRI, DG ENV). Outcomes: Exchange of experiences on the design and implementation of eco-schemes in EU Members States. Web page: 1st meeting of the Thematic Group on the Design and Implementation of Eco-schemes in the new CAP Strategic Plans

agronomic reality and diverse agro-climatic conditions, with menus of practices offered for all production systems in each area. Payment rates vary to reflect different conditions, e.g. rainfed, dryland and Mediterranean areas and are degressive except for the biodiversity eco-scheme. Farmers can combine different practices and apply them to parts of their farms. Uptake covers 87% of the declared area (75% of farmers), higher than anticipated. A good flow of information is considered vital to secure uptake as well as offering a range of practices and certainty of payment. Drawbacks identified include a reluctance to take up new practices (e.g. green cover), knowledge gaps and perception of risk.

#### István Madarász (Ministry of Agriculture, <u>Hungary</u>) explained <u>the Hungarian eco-scheme model</u>, which involves one eco-scheme, where farmers choose prac-

tices relevant to each land use category and commit the whole farm area. A scoring system is applied to different practices to indicate different levels of environmental ambition. The main driver for the design was to keep the scheme as simple as possible and to broaden the implementation of existing practices. Payments are provided as a top-up to the Basic Income Support for Sustainability (BISS) . In 2023 uptake was far higher than expected (80% of eligible agricultural land). As a result, the payment rate will decrease and the funding envelope for the eco-scheme is likely to be extended. Looking ahead, Hungary intends to add more ambitious practices (spaces for biodiversity) and work on a progressive sanction system.





Fenna van Selm (Ministry of Agriculture, The Netherlands) introduced the Dutch eco-scheme. The Netherlands has designed a single eco-scheme where farmers can choose from a menu of 22 practices (eco-activities), each of them rated according to their environmental and climate benefits. To join, farmers must reach a point and payment threshold to determine the tier they enter – bronze, silver or gold. A simulation tool supports decision-making. Regional differences are reflected in the point threshold (calculated based on income forgone and costs incurred for each eco-activity). Ongoing discussions focus on how to regionalise the scheme further while not making it more complex. Uptake has been a success (63% of the eligible agricultural area), higher than anticipated.

During the discussion, a Swedish TG member shared their experience with low uptake of the organic farming eco-scheme due to current market difficulties and higher uptake of the simpler schemes. They flagged the importance of information campaigns to encourage uptake.

# Parallel group session on experiences with the design and implementation of eco-schemes in Member States and their interaction with the other parts of the Green Architecture

Lisa Haller (CAPI CP) gave an <u>overview of key issues</u> identified with eco-schemes in the Expression of Interest for the TG. The main issues relate to their overall design, budgeting and payments, administration, controls, links with other parts of the Green Architecture, awareness and flow of information and uptake.

Participants were divided into three groups focusing on: (i) what works well?; (ii) where are challenges?; and (iii) what are possible solutions? To start each group discussion, a TG member provided a short input from a different stakeholder perspective.

The discussions showed that EU Member States have different experiences of what works well. Both bottom-up and top-down approaches were used for scheme design and having different eco-schemes or practices available for different farm types ensures good uptake by farmers. One issue identified was the extended time taken for the approval of many CSPs, which meant that information for farmers was available late, often only after cropping decisions for 2023 had been made. In some cases, the complexity and level of ambition of schemes, as well as insufficiently attractive payment rates, hinder uptake and there is often a lack of interest from more intensive farms. This is leading to questions about how to redistribute unspent budget. At the same time, in other countries uptake for certain eco-schemes has been higher than expected, leading to a reduction in the per hectare payment available to farmers. Possible solutions identified include the need for eco-schemes to be designed to work in conjunction with other parts of the Green Architecture. Information, active communication and dissemination via different channels, the involvement of farmers as well as the availability of good quality advice were also mentioned as key.

# Panel discussion: Reflections on earlier group discussions

Jeff Dondelinger (Ministry of Agriculture, <u>Luxembourg</u>), Maira Dzelzkaleja Burmistre (Farmers' Parliament, <u>Latvia</u>) and Paddy Malone <u>(CAP Network Ireland</u>) provided feedback from the group discussions. They were joined by Laura Sauques (IFOAM OE, EU) and Tatiana Nemcová (Birdlife Europe, EU) to reflect on how eco-schemes could develop to reach their full potential.

Laura Saugues emphasised that eco-schemes are an important tool to address the biodiversity crisis while supporting farmers and are a means of transitioning to more sustainable models of farming. To ensure that they deliver on their environmental ambition, the focus should be on a results-based approach and a long-term vision going beyond annual commitments while still retaining flexibility for farmers. Tatiana Nemcová highlighted the importance of increasing the environmental ambition of eco-schemes through a greater focus on well-functioning advisory systems. Overall, panel members agreed that 2023 is a learning year as it takes time to understand how eco-schemes work in practice and engage. Lessons learned so far are that it is crucial to keep eco-schemes as simple as possible and to ensure that they are accessible to farmers of all farm types and sizes, making sure that payments are attractive and that their environmental ambition is increased over time. There seems to be a trade-off between ambition and uptake, but the way forward is not to move funds from schemes with high ambition and low uptake to those that are more popular. Monitoring the outcomes achieved was thought to be essential, as was the importance of involving farmers in the design process, the need for high-quality advice, opportunities for knowledge exchange and providing simple information to farmers explaining the objectives of the scheme.

### Next steps and closing remarks

In the last session, members agreed on a number of topics for informal discussions over the coming months. The second meeting of the TG will take place on 20 February 2024.



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