



European Network for
Rural Development

Using the CAP to upscale sustainable agriculture and forestry management practices

Thematic Group on the European Green Deal and Rural Areas

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INTRODUCTION

The new Common Agricultural Policy (CAP) will be guided by the European Green Deal (EGD), an EU-wide commitment to make the Union climate-neutral, decouple growth from resource use and restore biodiversity and cut pollution. While the agriculture, forestry and land use sectors are significant emitters of greenhouse gas (GHG) emissions and responsible for rural ecosystem degradation and unsustainable levels of natural resource use, effective approaches to these sectors can be part of the solution. This factsheet looks at the opportunities that the design and implementation of relevant interventions⁽¹⁾, set out in the forthcoming CAP Strategic Plans (CSPs), present for upscaling sustainable management practices and contributing to the EGD goals. Ideas and examples emerging from the *ENRD's Thematic Group (TG) on the EGD and Rural Areas*⁽²⁾ are presented as a source of inspiration for Managing Authorities and stakeholders (Boxes 4-6).

Summary of Recommendations for CAP Strategic Plans

Ensure that key environment and climate issues are identified and that related objectives and CAP interventions support the targeted uptake of more sustainable practices at appropriate levels.

- Use CAP interventions in a coordinated and integrated way – i.e. combinations and packages of Pillar 1 and Pillar 2 interventions – to achieve the identified environmental and climate priorities and contribute to the EGD goals.
- Consider different approaches to encourage the uptake of, for example, horizontal and zonal schemes, individual or collaborative commitments and/or a combination of both.
- Make full use of farm advisory and extension services to develop land managers' knowledge on sustainable practices including capitalising on farmer 'champions' to accelerate the uptake and buy-in.

(1) Under the new CAP, instruments and measures are referred to as 'interventions'. In this factsheet the term 'scheme(s)' is used to refer to the way in which these 'interventions' can be designed and implemented to target and tailor specific sectors and territories.

(2) https://enrd.ec.europa.eu/enrd-thematic-work/greening-rural-economy/european-green-deal-rural-areas_en



1. IDENTIFYING THE KEY ENVIRONMENTAL AND CLIMATE ISSUES TO ADDRESS

To design effective sustainable agriculture and forestry interventions, it is first necessary to identify the key environmental and climate priorities to be addressed. The results of the SWOT analysis and needs assessment, which form part of the CSP design process, are essential in this regard. This process should be informed by relevant EGD objectives and targets, the European Commission's CSP Recommendations to Member States and existing environmental and climate planning tools

(e.g. the Priority Action Frameworks for Natura 2021-2027, the River Basin Management Plans 2022-2027 and the National Energy and Climate Plans). The Intervention Strategy should make sure the priorities in these documents are addressed, using individual interventions as well as packages of interventions. It should demonstrate how the choices made will contribute to the nine CAP specific objectives, identifying possible synergies and conflicts and addressing any trade-offs from the beginning.

2. USING THE CAP INTERVENTIONS IN COORDINATED AND INTEGRATED WAY

The proposed new performance-based CAP presents different methods for Managing Authorities to design interventions that can support EU environmental and climate objectives in a coordinated and integrated way. Interventions that make up the policy's 'green architecture' - conditionality, eco-schemes, and many of the Pillar 2 interventions, including (but not restricted to) the environmental and climate commitments - will collectively play a key role in how sustainable agriculture and forestry management practices are taken-up at the appropriate level.

The new CAP gives Managing Authorities more options and flexibility to use both pillars to support sustainable management practices in a more targeted and tailored way. All elements of the 'green architecture' are expected to work together in a coherent manner. Programming CAP interventions in a coordinated and integrated way to address specific needs and priorities could maximise better the full potential of CAP funding. For example, eco-schemes could encourage entry to medium-level practices, while Pillar 2 environmental and climate commitments could support more advanced and ambitious types of management. As with every new CAP cycle the first few years of implementation will include an initial period of learning and experimentation particularly for new interventions such as the eco-scheme. It may be beneficial to pilot advanced practices before implementing on a larger scale (Box 2).

Box 2: Possibilities for piloting and testing schemes

New approaches to sustainable land management may need to be piloted in the short-term prior to a wider scale roll-out. Piloting allows Managing Authorities and stakeholders to explore and experiment with novel and innovative approaches and address unforeseen difficulties early on. The new CAP will continue to allow piloting and testing of new types of schemes using the EIP-AGRI Operational Groups (OGs) which are supported under the Pillar 2 Cooperation measure. As well as more top-down co-ordinated approaches, some Member States have also supported more bottom-up approaches by stakeholders. The EU LIFE Programme and EU Research and Innovation Programme (to some extent) are other funds that could potentially be used alongside the CAP to pilot and test new approaches.

A range of CAP interventions are required to upscale sustainable management practices so as to accomplish successful outcomes. Examples of interventions that can accompany area-based support can be found in Table 1.

Table 1. CAP Interventions that can be used alongside area-based support to upscale sustainable management practices

Intervention(s)	Potential Synergies
Farm advisory services and knowledge exchange and information	Tailored advice and extension services to support the effective implementation of CAP interventions throughout the lifetime of the scheme. The extent of support may depend on the scheme's nature, scale and overall ambition.
	Advisory services and farmer to farmer exchanges and demonstration events to disseminate information and expertise on the uptake of new sustainable practices to a broader number of farmers (i.e. beyond a specific scheme).
Investments	Non-productive investments to rehabilitate or restore agroecosystems e.g. hedgerow creation, wetland and peatland restoration and to complement land management practices. They also present new economic opportunities e.g. new recreational activities in rural areas.
	Productive investments e.g. specialised equipment and changes in animal housing can complement the uptake of land management practices, while investments in lower-impact forest harvesting and processing technologies could help to support more sustainable forest management.
Cooperation	The EIP-AGRI Operational Groups present opportunities to pilot land management schemes and other commitments prior to upscaling. They can also promote stakeholder-led approaches addressing specific needs and priorities.
	Sustainable land management outcomes can be further stimulated through certification e.g. using EU Quality Schemes to support the recognition of demonstrated sustainable practices with beneficial environmental and climate impacts.
	The LEADER/CLLD approach has the potential to support the uptake of practices at the appropriate scale by using local development strategies to complement the adoption of locally adapted approaches to land management e.g. new territorial facilities or markets.
Sectoral Interventions	Environmental and climate actions (e.g. environmentally-sound production methods) can be supported through sectoral-focused operational programmes targeting recognised producer organisations and/or associations of producer organisations.

Source: Own compilation

3. EFFECTIVE APPROACHES – SOME EXAMPLES

Box 3: Protecting Farmland Pollinators across different farming enterprises in Ireland

Implemented in Mid-Eastern Ireland, the project was established as an EIP-AGRI OG using the Cooperation measure (2019-2023). As part of the implementation of the All-Ireland Pollinator Plan, it aims to incentivise farmers to restore pollinators on their farm whilst maintaining productivity. A whole-farm pollinator scoring system is being piloted across a range of farm types (dairy, tillage, beef and mixed), each represented by a 'champion' farmer and by farming intensities (high, medium, and low). The scoring is based on the measurement of five criteria designed to indicate the potential for pollinators to find habitats on farmland. These include low to zero pesticide inputs on-field, the presence of flowering margins and hedgerows, pollinator-friendly trees, as well as flowers on the farmland.

The scheme is voluntary and participating farms are scored annually, with the payments determined based on the results achieved (maximum of € 3 000/year). Steered by the 'champion' farmers, a combination of guidance documentation, peer-to-peer learning and advisory support from experts in Ireland's National Biodiversity Data Centre is used to help all participating farmers to address questions or concerns and apply actions that improve their biodiversity management. The overall approach is designed to help farmers self-assess and maximise their score over time. The OG is steered by four representative farmers covering the different farm types involved, as well as researchers and advisors, farming organisations and the agri-food industry. The representative farmers help to recruit farmers and ensure effective engagement over time.

The project, implemented on 40 farms, has already shown positive results with greater awareness and more active engagement of different farmers in conservation management. These results are expected to inform Ireland's approach to the new CAP including the kinds of biodiversity measures supported under environmental schemes, as well as the need for tailored biodiversity management to be a more important part of the farm advisory service remit for all farmers. There are also plans to develop a quality assurance scheme with a gold, platinum, bronze rating for farmed products.

Further information: <https://ec.europa.eu/eip/agriculture/en/find-connect/projects/protecting-farmland-pollinators>



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Box 4: Managing semi-natural pastures and securing a premium price for producers in Estonia

The project is targeted at small organic beef farmers to enhance the management of semi-natural grassland habitats, carbon sequestration and good animal welfare outcomes. For that purpose, a quality scheme for organic grass-fed beef was developed, supported by the creation of an independent supply chain. An NGO, Liivimaa Lihaveis, was established in 2010 by 11 beef producers to manage the scheme. The NGO brings together individual organic farmers and other actors in the agri-food chain. Some of the founders subsequently created a private company, Nordic Beef, whose role is to market and distribute the certified produce. The quality scheme now covers 41 farms over 13 900 ha (representing about 8% of Estonia's beef cattle).

The initiative is based on a whole supply-chain approach with farmers, the processing company, slaughterhouses, retailers and restaurants collaborating directly. This is seen as key for increasing profit margins for farmers and raising consumers' awareness of sustainable land management and traceability. By choosing this approach, the farmers were able to improve the conservation status of their semi-natural pasture, whilst successfully responding to the growing demand for organic products. This includes farmers securing a premium for their produce rather than being forced to sell to conventional supply chains that gives them lower returns. CAP payments (Pillar 1 direct payments, and Pillar 2 agri-environment-climate measures for semi-natural habitats, organic payments) are used in combination to ensure basic viability and enhanced land management. In addition, the NGO took advantage of promotional funding (€300 000 over three years) to market the produce to neighbouring countries (Sweden, Latvia). Importantly, the initiative has built trust and cohesion among farmers through collective action.

Further information: <http://www.nordicmeats.com/>

Box 5: Diversifying agricultural practices through climate resilient agroforestry in Belgium and the Netherlands

The FarmLife project aims to promote solutions for farmers to adapt to climate change by supporting the transition away from monoculture cropping to agroforestry systems whilst maintaining economic profitability. The project is currently running in the North of Belgium and South of the Netherlands between 2018 and 2023 and is primarily funded under the LIFE programme (60% of total funding).

The project is guided by the development of whole supply chain scenarios designed to support increased agroforestry uptake amongst farmers. Crop combinations are being tested (e.g. nuts, flowers, local wheat, etc.) on three demonstration sites. The test sites consider the potential for regional climate adaptation and environmental delivery (including the development of baselines) as well as market opportunities. The results are used to develop farm toolkits ("adaptive farm plans") that can be applied in different contexts. A further ten farmers will apply the toolkit on their farms at a later stage to bring the size of the demonstration sites to 100 ha. Information and know-how is shared through established contacts in rural networks covering a diverse range of stakeholders (farmers' associations, entrepreneurs, knowledge institutes, government ministries and social partners). For increased impact, surveys were conducted in the regions, to identify the possible barriers in transitioning to agroforestry. To address the knowledge gaps, masterclasses are organised to exchange with prospective farmers on agroforestry business models as alternatives to monoculture cropping with demonstration farmers playing a 'champion' role, alongside guest experts. These trainings have also been complemented by the creation of a master's curriculum and massive open online courses (MOOCs) to train experts.

The coordinators are exchanging on the results with national authorities to better integrate agroforestry in agricultural policies including the CAP and to facilitate market opportunities.

Further information: <https://www.farm-life.eu/>

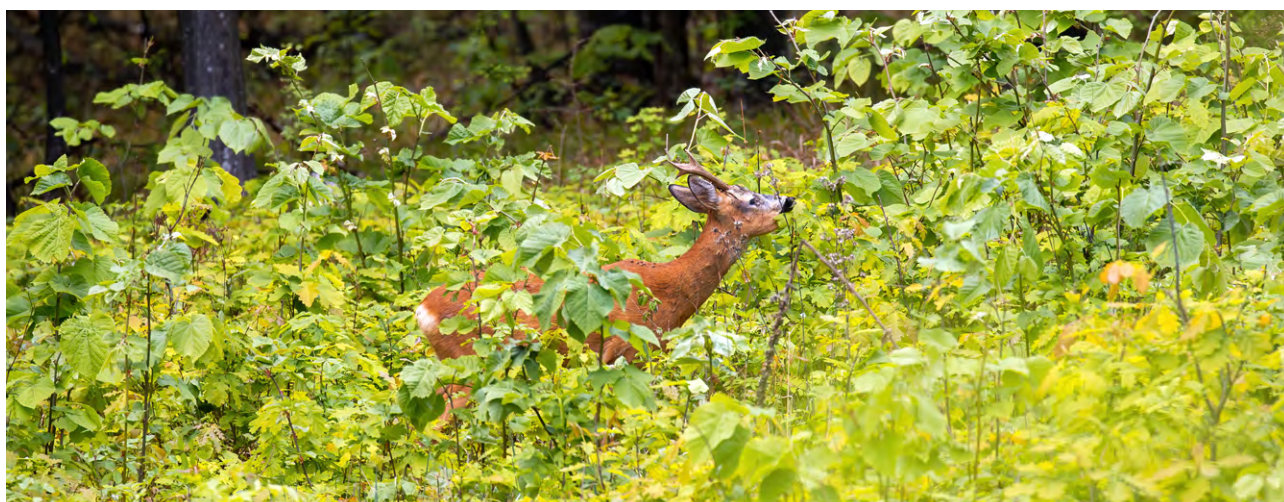
Box 6: Adoption of conservation agriculture schemes to support improved soil management in Italy

In Puglia, the Managing Authority has designed conservation agriculture schemes using the 2014-2020 Rural Development Programme agri-environment-climate measure to address two major soil threats: erosion and loss of soil organic matter. Schemes are designed to target mainly arable farmland areas located in large plains where monocultures are predominant and soils are at risk. They promote three actions in synergy: 1) crop diversification (over a two-year period with limitations on winter cereals), 2) the adoption of no-till farming and 3) the conservation of crop residues. In addition, beneficiaries must apply these practices on at least 50% of their farmland.

€ 38 million have been allocated to the measure over the 2014-2020 programming period, with the Puglia region planning to have 20 000 ha under conservation agriculture practices by 2023 (representing 3.6% of the region's UAA). The target has already been reached with 650 beneficiaries currently implementing the measure. The success of the measure was helped by three key factors. Firstly, the straight-forward design of the schemes in contrast to some other agri-environment sub-measures. Secondly, the exchanges and the dissemination process driven by 'champion' farmers, who convinced other farmers to take-up commitments. Finally, local technical expertise and equipment were already available and acted as a decisive uptake factor.

The remaining years of the scheme will focus on the introduction of summer cover crops to address drought, as well as exploring synergies with fire prevention and residue management policies. The control of weeds and improved crop diversification planning are also issues that require further exploration. Positive results from the measure have convinced the Managing Authority to further develop the intervention in the next CAP programming period using the eco-scheme.

Further information: https://enrd.ec.europa.eu/sites/enrd/files/tg2_presentation_conservation_agriculture_marandola.pdf





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4. DESIGNING EFFECTIVE INTERVENTIONS FOR A MORE WIDESPREAD UPTAKE OF SUSTAINABLE PRACTICES

Although environmental and climate priorities will differ to some extent between Member States and regions, widespread uptake of individual and packages of interventions is essential to address the scale of the challenges and make a meaningful contribution to the EGD objectives and targets. An effective design of interventions is essential to encourage more widespread uptake of sustainable practices and a greater area of land under management that benefits the environment and climate. This is not limited to the design of interventions to support more sustainable land management directly, but also other interventions that maximise overall effectiveness, such as advice and knowledge exchange (Box 7). Key issues for designing effective interventions to encourage more widespread uptake are highlighted below.

The **geographical scale** of interventions targeting the uptake of sustainable practices will depend on the specific needs and desired outcomes to be achieved. In particular:

- **Horizontal schemes** can cover the whole territory and target specific farmland types or sectors to stimulate widespread changes in farm and land management. For example, mitigating GHG emissions and water pollution on all livestock farms may require using and stocking less synthetic fertiliser. Furthermore, reducing the negative impacts of harmful practices on pollinator populations and their habitats on arable farms may require limiting existing herbicides and pesticides and/or the application of alternative approaches.
- **Zonal schemes** can be more targeted where a specific issue needs to be addressed in a certain territory. These schemes

could be much more tailored to local conditions. For example, targeting farmers with high nature value (HNV) farmland where low-intensity management on semi-natural grassland is under threat of intensification or land abandonment or farmers located in a catchment area of a river basin. More specific targeting where habitat restoration is required e.g. peatland and wetland restoration could also be considered.

Box 7: Advice and knowledge exchange

Farm Advisory Services and actions that support knowledge exchange and the dissemination of information have great potential to promote the uptake of tried and tested sustainable practices across the agriculture and forestry sectors. A greater focus on sustainability planning at the farm, forest and/or landscape level may be one way for advisory and extension services to support a more integrated approach to achieving sustainability objectives. For instance, all farmers and land managers could be paid to draw up a farm sustainability plan, in partnership with an accredited advisor to address, over time, the range of environmental and climate priorities that may be relevant to their business and/or the wider territory. In particular, tailored advice and extension services are essential to support the implementation of sustainable approaches to land management. Ideally, such services should go well beyond providing farmers and land managers with basic information about scheme commitments and focus on the actual implementation and achievement of the scheme's objective. Good implementation not only requires active engagement from advisors and other practitioners throughout the lifetime of a scheme, but also opportunities and encouragement amongst farmers and land managers to take account of the farm's environmental and climate objectives alongside the overall business of the farm and the demands of the market.

Both horizontal and zonal schemes can help to either promote individual changes in existing practices or start a broader redesign of farming systems e.g. conversion to organic farming or the establishment of agroforestry systems.

Schemes have traditionally been implemented as individual agreements between the beneficiary and the Managing Authority. However, Managing Authorities are increasingly developing so-called **collaborative approaches**, often based on a whole landscape approach where a shared problem or threat has been identified. Such schemes can:

- manage certain ecosystem services at the appropriate scale by ensuring links are created between individual farms. They could have the potential to deliver greater benefits across the farmed landscape; and
- allow farmers and land managers to work collaboratively with their peers or other practitioners such as advisors and NGOs to deliver on common environmental objectives or find solutions to address conflicting objectives (e.g. between production demands and appropriate land management).

Landscape approaches tend to have higher costs (e.g. costs related to the establishment of governance structures, facilitation and the provision of highly specialised advice), but can also deliver greater benefits that can be sustained over the longer term. They are



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often part of a long-term strategy as they can take many years to mature and deliver long-term changes. In particular, they rely on the development of social capital to promote collaboration, mutual trust and a shared sense of responsibility. Managing Authorities should carefully consider what is required to achieve the desired outcomes. For example, the uptake of beneficial practices to reduce diffuse pollution in a water catchment area or the use of bio-controls to reduce pesticide use may only be fully effective when all farms across an entire territory adopt them. The different motivations of farmers or land managers to participate (e.g. public vs private benefits) are also important to consider. In many cases, hybrid schemes that involve the coordination of both individual farm-level and collective agreements may also be appropriate.

Different types of approaches to scheme design can be programmed to achieve the desired environmental and climate aims through eco-schemes and/or agri-environment-climate measures.

Management-based schemes where beneficiaries fulfil prescribed management practices to achieve a desired outcome, have been used in the past. Another approach that has received more attention in recent years is that of results-based schemes. Under these, management is guided using appropriate results indicators to determine if the desired outcome has been achieved. Hybrid payment schemes using a combination of both approaches can also be applied. The type of scheme chosen will depend on the Managing Authority's environmental and climate objective; whether an expected or actual result can be determined or measured, the level of tailoring and targeting that is needed to address a specific regional or local issues and the availability of resources.

The monitoring and evaluation of schemes is also critical to understand their overall effectiveness and more importantly to learn lessons from the implementation experience for future improvements or modifications. Finally, the way in which scheme payments are designed and implemented can have a significant impact on a farmer or land manager's decision to take up more sustainable practices (Box 8).

Box 8: Encouraging sustainable land management – payment models

The majority of payments supporting the uptake of more sustainable land management practices have been calculated based on the loss of income and additional costs of implementing the scheme (typically using the Pillar 2 agri-environment-climate and forest measures). This payment model is often considered too weak an incentive to encourage high levels of participation but, it is a much more flexible incentive than is often thought. For example, Managing Authorities could be more flexible when calculating the types of 'opportunity costs' faced by land managers committing to environmental actions – e.g. the income lost by not putting the land into alternative commercial use. These costs may vary considerably depending on what the alternative land uses might be and on the duration of the commitment by the land manager. This can then be taken into account in calculating the payment at the same time as the income lost and the additional costs. Such an approach could allow a Managing Authority to develop a clear incentive component into the payment calculation of sustainable land management schemes. A new option (available under the eco-scheme only) is for the payment to be provided as a top-up to the basic income support. Care is needed to ensure the payments are targeted at farmland types of environmental importance and farming systems with a proven track record in environmental and climate action. They should not become an untargeted supplementary form of direct payment, as this could undermine the ambitions of the EGD. Overall, a clear and objective approach to payment calculations should not only give certainty to potential farmers and land managers, but also strengthen the incentive for them to participate in the medium to long-term.

Box 9: Tiges et chavées - Sustainable management of private forests

The Local Action Group (LAG) 'Tiges et Chavées' tackled the challenge of managing small and fragmented private forests in Wallonia, Belgium in a sustainable and coherent way. The LAG and the Wallonian Support Office for Private Small-scale Forests (CAPFP) came together to train small plot holders (under 5 ha) in the three municipalities covered by the LAG. The project (2016 to 2019) promoted the collective management of forests and looked at how to add value to local wood products. It was funded under the LEADER measure (EAFRD - € 73 278; Belgian authorities - € 109 917; and private supporters - € 20 355).

The project brought together actors from different sectors under the coordination of the LAG: forest management, primary processing, secondary processing, environment, forest recreation to cover environmental, social and economic aspects of forest management.

The environmental dimension of the project focused on multiple training sessions facilitated by experts from the Belgian Royal Forest Society (SRFB) and actions for the promotion of sustainable tourist activities such as the training of local guides. In order to make the most of the wood locally, service agreements with harvesters were established and collective sales of timber organised, including to municipalities. Lastly, the project incorporated a social dimension throughout the creation of a social enterprise for products using local wood.

Overall, the project resulted in improved sustainability of the management of local private forests, with increased uptake of a Pro Silvia/natural forest management approach as well as the launch of collective sanitary actions to remove wood attacked by bark beetles. As a next step, the project involved in the development of a 'Forest Charter', which aims to extend the approach taken in this project to a wider area.

Further information: https://enrd.ec.europa.eu/projects-practice/tiges-et-chavees-sustainable-management-private-forests_en



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