

EVALUATION ROADMAP			
TITLE OF THE EVALUATION	<ul style="list-style-type: none"> - Evaluation of the payment for agricultural practices beneficial for the climate and the environment under the CAP ("greening" of direct payments) - Commission evaluation report on the implementation of the EFA obligation (March 2017) (joint roadmap)		
LEAD DG RESPONSIBLE UNIT	- AGRI.DDG2.E4 (EVALUATION AND STUDIES) AGRI.DDG.D2 (GREENING, CROSS-COMPLIANCE AND POSEI)	DATE OF THIS ROADMAP	19/09/2016
TYPE OF EVALUATION	Evaluation	PLANNED START DATE	10 / 2016
	Interim	PLANNED COMPLETION DATE	11 / 2017
	Mixed	PLANNING CALENDAR	http://ec.europa.eu/smart-regulation/evaluation/index_en.htm
This indicative roadmap is provided for information purposes only and is subject to change.			

A. Purpose
<p>(A.1) Purpose</p> <p><i>The reformed Common Agricultural Policy (CAP) which started to be fully implemented in 2015 introduced a new policy instrument under its first pillar, the greening payment, with a view to enhancing environmental performance of EU agriculture. The relevant provisions are under chapter 3 of Title III of Regulation (EU) No 1307/2013 of the European Parliament and of the Council (Direct Payments Regulation).</i></p> <p><i>The purpose of this evaluation is to evaluate the impacts of the green direct payment scheme as implemented by Member States. The evaluation serves to have a full view on how this new policy instrument is performing against its objectives, to provide answers on issues raised in the public domain and provide a solid evidence basis for considering possible policy changes. It should provide timely results for the performance report due in 2018 in accordance with Article 110 of Regulation 1306/2013 on the common monitoring and evaluation framework of the CAP.</i></p> <p><i>In 2015/2016, the Commission undertook a review of the Delegated and Implementing Regulations (639/2014 and 641/2014, respectively) related to the green direct payment obligations. The review is carried out in the context of the overall simplification of the CAP. More specifically, the review was launched in response to the Commission's declaration of April 2014 addressing three aspects: administrative burden arising from the new instrument; the impact on the level playing field for farmers of implementation by Member States of green direct payments; and the impact on production potential. The Commission did an ample consultation (stakeholder + open public) on the first year of implementation of greening. The review of DA/IA provisions will be concluded by end 2016 with the aim that related changes enter into force from claim year 2017.</i></p> <p><i>The scheduling of the evaluation is such that it can use all the information collected for the review after 1 year of implementation and can take as far as possible into account the situation resulting from the changes to DA/IA following the 2016 review (while acknowledging that those changes enter into force as from claim year 2017/2018 only).</i></p> <p><i>Available preliminary results from the evaluation study will be used to feed the Commission evaluation report foreseen in Article 46((1) of Regulation (EU) No 1307/2013 (the Commission to present, by 31 March 2017, an evaluation report on the implementation of the obligation to have 5% ecological focus area on arable land).</i></p>

(A.2) Justification

The green direct payment is a new and important component of the CAP following its 2013 reform. It links 30% of the direct payments received by the farmer to the respect of three obligatory practices beneficial for the environment and climate action and has been heavily debated during the negotiations on the CAP reform. The introduction and implementation by Member States and farmers of this new instrument since 2015 continues to attract a lot of public attention (from farmers, environmental NGOs, public authorities). It is therefore necessary to evaluate the performance of the green direct payment to allow for a well-informed debate on this important new element of the CAP.

There is also a legal obligation in Article 46((1) of Regulation (EU) No 1307/2013 for the Commission to present, by 31 March 2017, an evaluation report on the implementation of the obligation to have 5% ecological focus area on arable land. According to the legal act, where appropriate, this report on the implementation of the ecological focus area requirement will be accompanied by a proposal for a legislative act of the European Parliament and of the Council in accordance with Article 43(2) TFEU to increase the requirement from 5 % to 7 %. The present evaluation will provide relevant information for the ecological focus area report.

B. Content and subject of the evaluation

(B.1) Subject area

The evaluation covers the entire chapter 3 of Title III of Regulation (EU) 1307/2013 ('Direct Payments Regulation') covering the payment for agricultural practices beneficial for the climate and the environment ('green direct payment'). This legal chapter defines the three practices beneficial for the climate and the environment ('greening practices'): 1) Crop diversification requires farmers with a certain amount of arable land to grow a minimum number of crops; 2) The maintenance of permanent grassland requires farmers to maintain where appropriate their area of permanent grassland, including environmentally sensitive grasslands in Natura 2000 areas; 3) The third requirement obliges farmers in certain conditions to reserve an area corresponding to at least 5% of their arable land as Ecological Focus Area (EFA).

Based on the Direct Payments Regulation, Commission Delegated Regulation (EU) No 639/2014 develops the requirements, definitions and other relevant parameters while Commission Implementing Regulation (EU) No 641/2014 lays down procedural/administrative requirements. Commission services developed guidance documents for Member States' authorities e.g. on permanent grassland obligation, the LPIS (Land Parcel Identification System, including the EFA layer), on-the-spot checks, etc. explaining and putting in context the relevant obligations.

(B.2) Original objectives of the intervention

The objective of the greening direct payment is to enhance environmental performance by supporting agricultural practices beneficial for the climate and the environment applicable throughout the Union: Ecological focus area should be established to safeguard and improve biodiversity on farms; Crop diversification should be applied to improve soil quality; Maintenance of permanent grassland should contribute to carbon sequestration and to the protection of most sensitive grasslands in Natura 2000 areas.

The objectives of the green direct payment are consistent with EU environmental and climate Policy and in line with the objective 7 of the 7th Environmental Action Programme on better integration of environmental concerns into agriculture policy.

(B.3) How the objectives were to be achieved

From 2015 onwards, the CAP reform introduced the green direct payment as a new policy instrument. It accounts for 30% of the national direct payment envelope. As the greening requirements are compulsory for a big part of direct payment beneficiaries, it has the advantage of introducing practices that are beneficial for the environment and climate on most of the utilised agricultural area (around 36 % of direct payment beneficiaries have to comply with at least one greening practice which corresponds to 72 % of the total EU agricultural area). Under the new rules, farmers receiving the green direct payment help conserve the environment and contribute to addressing greenhouse emissions by:

- improving soil quality, making soil & ecosystems more resilient by growing a greater variety of crops*
- conserving soil carbon & grassland habitats associated with permanent grassland, in particular in Natura 2000 areas*

- *improving and safeguarding biodiversity on farms, especially by protecting water & habitats through the establishment of ecological focus area.*

The green direct payment scheme is complementary to other policy instruments for the environment/climate under the CAP, in particular: the cross-compliance system and the various environmental payments and certain investment support measures in agriculture, forestry and rural areas under Rural Development policy. The combined and complementary effects of these different CAP instruments contribute to improved sustainability.

For more information see: http://ec.europa.eu/agriculture/direct-support/greening/index_en.htm

C. Scope of the evaluation

(C.1) Topics covered

The focus of the evaluation is on the entire chapter 3 of Title III of Regulation (EU) 1307/2013 ('Direct Payments Regulation') covering the payment for agricultural practices beneficial for the climate and the environment ('green direct payment'). This legal chapter defines the three practices beneficial for the climate and the environment ('greening practices'). It also sets out a system of equivalence: equivalent practices to the three defined greening practices are an alternative means to fulfil the obligations. The Commission evaluation report scheduled for March 2017 will be limited in scope to the implementation of the EFA obligation.

In order to assess the environmental effects and as part of the coherence review, complementary measures, in particular cross compliance, the definition of permanent grassland, and agri-environment-climate measures, as well as any other relevant ones (including regulatory measures under environmental legislation), including on national or regional level will be taken into account with the main point of reference still being the green direct payment.

(C.2) Issues to be examined

The three greening practices have to be placed in the specific context of agricultural production patterns, natural conditions including the regional environmental and climate challenges, and in the broader context of measures with similar objectives. Within direct support to farmers, the greening obligation seeks to make farmers apply certain basic practices to ensure environmental/climate benefits, either by changing their practices (for better environmental/climate outcome) or by maintaining already applied beneficial practices (for maintaining environmental/climate benefits). To evaluate the added value and impact of the instrument, the relationship with cross compliance standards needs to be examined.

Starting from a theory-based analysis of the environmental/climate and production effects of the green direct payment, an intervention logic must be developed demonstrating the relevant linkages between the greening practices and the objective to enhance the environmental performance of farming.

The assumptions underlying the theoretical intervention logic will be tested using a combination of evaluation tools based on evidence collected from different sources (see section D).

In answering the evaluation questions the evaluators should also examine the exemptions from the greening obligation and the equivalent practices chosen by Member States. The evaluators should back their findings with quantified evidence, indicating any limitations of the value or soundness of the results obtained and supporting the quantitative evidence collected with a well-reasoned qualitative answer assessment.

The evaluation will be conducted along the five evaluation criteria:

Effectiveness

To what extent has each greening practice impacted on the environment and climate?

To what extent have the greening practices overall contributed to the enhancement of environmental performance of farming?

Efficiency

To what extent has the implementation of the greening practices led to a change in administrative burden:

at the level of the beneficiaries; at the level of the Member States administration; at the level of the Commission services?

To what extent have the greening practices been efficient in achieving the general objective of sustainable

management of natural resources and climate action enhancing the environmental performance of farming: To what extent have the related costs/burdens been proportionate to the benefits achieved?

Coherence

To what extent have the greening practices as part of the entire set of relevant CAP-measures dedicated to the environment/climate delivered a coherent and complementary contribution to achieving the general objective of sustainable management of natural resources and climate action?

To what extent have the greening practices as part of the entire set of relevant CAP-measures dedicated to the environment/climate delivered a coherent and complementary contribution to achieving the objective of environmental/climate legislation and strategies, in particular Water Framework Directive, Nature Directives, Nitrates Directive, EU Soil Thematic Strategy and EU Biodiversity Strategy?

To what extent have the greening practices impacted on the other general CAP objectives (viable food production and balanced territorial development)?

Relevance

To what extent have the greening practices been relevant in contributing to the sustainable management of natural resources and climate action and the related specific objectives?

EU added value

To what extent have the greening practices created EU added value?

The above aspects may be further detailed in the methodology to be prepared by the evaluators for this assignment. The March 2017 Commission report will draw on those elements relevant to the implementation of the EFA obligation.

(C.3) Other tasks

N/A

D. Evidence base

(D.1) Evidence from monitoring

In line with the notification requirements in Regulation (EU) 1307/2013 and in accordance with Article 65 of the Commission Delegated Regulation (EU) No 639/2014 Member States were required to notify to the Commission by 1 August 2014 their choices with regard to the implementation of the chapter on greening in the direct payments regulation. For a number of implementation choices (e.g. use of EFA conversion and weighting factor, regional or collective implementation of EFA) Member States need to notify the Commission by 1 August preceding their application. In accordance with the same Article 65 of Regulation (EU) No 639/2014 Member States are required to notify to the Commission by 15 December of each year for the claim year concerned, information and data concerning the implementation of the greening requirements. This includes data on the number of farmers and the number of hectares subject to the greening requirements, as well as the annual permanent grassland ratio.

Moreover Article 9 of the Commission Implementing Regulation (EU) No 809/2014 rules that each year, by 15 July, for all direct payments (including greening payment) MS shall notify to the Commission control data and control statistics covering the previous calendar year containing data relating to individual beneficiaries including on aid applications, areas, results of checks on compliance etc. It means that the results of calendar year 2015 will be available by 15 July 2016.

Relevant information is also provided through the indicators included in the CAP 2014–2020 common monitoring and evaluation framework (CMEF), the full set of agri-environmental indicators, the existing monitoring information from Environmental Policy and the EEA European environment - state and outlook 2015 report, submissions under UNFCCC.

(D.2) Previous evaluations and other reports

The evaluation study will use (1) data provided by Member States (e.g. information on the implementation choices taken and monitoring data on uptake) (2) statistical information collected by the Commission such as the Farm Structure Survey, FADN (Farm Accounting Data Network) data, market data and environmental indicators (3) the analysis already undertaken during the 2016 review (4) any relevant completed or on-going studies on greening in the CAP reform and (5) the results of the public consultation on greening, which was launched in December 2015.

The impact assessment relating to the initial legislative proposal of the Commission will also be a useful source of

<p>information, however taking account of the changes introduced with the adoption of the Direct Payments Regulation.</p> <p>Relevant information will be provided from the ongoing study 'Mapping and analysis of the implementation of the CAP' with regard to the overall implementation context and choices of Member States in relation to the whole CAP including the greening payment. Furthermore, the staff working document in the context of the targeted review of the Delegated and Implementing acts after the first year of implementation of the green direct payment was published on 22 June 2016 (SWD(2016) 218 final).</p> <p>For 2017 a study is planned on the administrative burden of the CAP. If already advanced enough it could provide complementary quantified information on the administrative burden linked with the implementation of the green direct payments.</p>
(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)
N/A
(D.4) Consultation
<p><i>Consultation objectives:</i></p> <p><i>The aim of the envisaged consultations is to seek information and feedback from the relevant stakeholders and wider public in relation to the effects of the green direct payments.</i></p> <p><i>In the context of the external study work, consultation activities will target the following main stakeholders: public authorities responsible for implementation of the greening direct payment in EU Member States including paying agencies, and bodies delivering farm advisory services; farmers and farmers' organisations; academia and experts as well as NGOs and other civil society organisations active in the field of agri-environmental issues. These consultation activities will take the form of surveys and interviews.</i></p> <p><i>An on-line public stakeholder consultation on this policy instrument ran from 15 December 2015 until 8 March 2016 in the context of the review of the Delegated Regulation (EU) No 639/2014 and Implementing Regulation (EU) No 641/2014. This provided the opportunity to all interested parties and the public at large to voice their opinion. The results of this public consultation (3303 responses received) will be used by the external contractor for the evaluation. The questions included in this survey cover key aspects for the present evaluation such as agreement with the environmental objectives, impact of the green direct payment as regards environmental benefits and farm management, effect on production potential, administrative burden on farmers. The consultation was available on this website: http://ec.europa.eu/agriculture/consultations/greening/2015_en.htm</i></p> <p><i>In addition, in the context of the 2016 review of greening and the on-going CAP simplification, DG Agriculture received in early 2015 a number of contributions and simplification proposals relating to different aspects of the green direct payment, including EFA, which came from the AGRI/FISH Council, MS, Members of the European Parliament as well as European and national level stakeholder organisations. Substantial information has also been collected in the first year of implementation based on requests from MS and other stakeholders for clarification and explanation of the greening legal framework, as well as through structured and dedicated discussions within the Expert Group on Direct Payments (gathering experts from national administrations, paying agencies) and the relevant Civil Dialogue Groups (gathering civil society representatives).</i></p> <p><i>The Expert Group on Monitoring and Evaluating the CAP has been requested to provide information on possible relevant activities at Member State level and in particular in case Member States have set up arrangements for collecting baseline data and for monitoring and evaluating greening measures. The possibility of organising an exchange of views in the context of this Expert Group is under consideration.</i></p> <p><i>After completion of the external evaluation study, a presentation and discussion with the representatives from civil society in the context of the Civil Dialogue Group on Direct Payments and Greening will be scheduled to receive feedback on the findings to be used as input for the preparation of the evaluation Staff Working Document.</i></p>
(D.5) Further evidence to be gathered
<i>Further country-specific evidence will be gathered through case studies as part of the present evaluation.</i>

E. Other relevant information/ remarks

N/A