

# Are we ready to amend the CAP SP to fit for 55?

Although the CAP Strategic Plans have been approved and are now being implemented, they are not closed files. Once a year, amendments can be proposed by Member States and, under specific conditions, other adaptations can be required. Recent readjustments of targets for climate mitigation in different legislations to meet the ambition of the Fit For 55 package should offer an opportunity to raise the ambition of CAP Strategic Plans on climate action. In this article, we will consider how the CAP Strategic Plans might be amende and, under what circumstances, and assess the potential move forward that the progress on the Fit For 55 package can provide.

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## New targets for climate action

On March 28th, two revised regulations were <u>adopted by the Council</u> to enable the EU to reduce its net greenhouse gas (GHG) emissions by at least 55% by 2030 compared to 1990. The first is the Effort Sharing Regulation (ESR), setting up an EU-level GHG emission reduction target of 40% by 2030, compared to 2005, for concerned sectors. The second is the land use, land-use change and forestry (LULUCF) covering the use of soils, trees, plants, biomass and timber. It sets a new target of 310 Mt CO2 equivalent of net removals in that sector in 2030 and neutrality of the land sector by 2035.

As a result, Member States will need to revise their National Energy and Climate Plans (NECP) to include those new legally binding targets. This is expected by June 30th. The Commission also provided a <u>guiding document</u> for this revision, in which it is clear that the NECP will need to adapt to the new ESR and LULUCF targets.

Moreover, as shown in Figure 1 below, the guiding document indicates that Member States are "obliged to reassess and, where necessary, adjust their CAP Strategic Plans (CSPs) once the more ambitious targets introduced by the LULUCF Regulation and amended Effort Sharing Regulation (still to be adopted) enter into force".

#### 3.4.4 Common agriculture policy

The Commission encourages Members States to seek synergies between the common agriculture policy strategic plans (CSPs) and NECPs. Through their national CSPs, Member States have designed support schemes, which include addressing climate, energy, health, and biodiversity objectives. The Commission has provided recommendations and observations on each Member State's CSP. Member States furthermore identified or planned national measures outside the CSPs that could contribute these ambitions. With these objectives in mind, Member States are obliged to reassess and, where necessary, adjust their CSPs once the more ambitious targets introduced by the LULUCF Regulation and amended Effort Sharing Regulation (still to be adopted) enter into force (84). Member States should update the NECPs and CSPs and explore synergies between them wherever possible.

The link between the two processes can be further improved by: (i) strengthening efforts to assess the impacts of agricultural policies and measures on reducing greenhouse gas emissions; (ii) increasing carbon removals; and (iii) identifying relevant renewable energy sources such as biomethane. The Commission and the European Environment Agency are organising capacity-building as part of the activities to improve reporting on climate policies and measures (85).

Figure 1: Link between NECP and CSPs, source: NECP revision guiding document

CSPs will thus need to be reassessed and "where necessary", amended. Already this phrasing suggests that Member States will have the opportunity to circumvent adapting their CSPs, but what does the CSP regulation actually provide on this issue and amendments in general?

# Amending the CAP

To understand the rules framing amendment opportunities in the CAP, we have to look at Article 119 and 120 of the <u>CSP regulation</u>, and the <u>delegated regulation</u> on procedures and time limits for submission of amendments by Member States.

Article 119 and the delegate regulation on amendments set up the rules for amending the CAP. Although some exceptions apply to specific CAP instruments, here are the main directives:

- 1. Amendments must be justified by setting out their impact on the CAP-specific objectives.
- 2. The Commission needs to approve or reject the proposed amendments and can provide observations within 30 working days from the submission.
- 3. The Commission has 3 months to assess the submission.

- 4. Each Member State can make one submission (containing one or more amendments) per calendar year. Three additional submissions can be made during the duration of the whole CSP period. No deadline for submissions is mentioned.
- 5. Interventions under Rural Development can be amended at any time without restrictions in number if they do not impact result indicator targets.
- 6. Editorial changes are exempted from the procedure.
- 7. Necessary changes due to natural disasters and catastrophic events are not restricted in number.
- 8. Any amendment proposal of the CSP must be examined by the monitoring committee.

As it is related to the topic of this article, it is important to note that submissions pursuant to article 120 do not count for the limitation of submissions per year.

Article 120 lays down the rules applying when an EU legislation concerning the environment and climate, to whose objectives Member States' CSPs should contribute to and be consistent with, has been modified.

#### Article 120

#### **Review of the CAP Strategic Plans**

When an amendment is made to any of the legislative acts listed in Annex XIII, each Member State shall assess whether its CAP Strategic Plan should be amended accordingly, in particular the explanation referred to in Article 109(2), point (a)(v), and the further elements of the CAP Strategic Plan referred to in that explanation. Each Member State shall, within six months after the deadline of transposition of the amendment in the case of a Directive listed in Annex XIII or within six months after the date of application of the amendment in the case of a Regulation listed in Annex XIII, notify the Commission of the outcome of its assessment with an accompanying explanation and, if necessary, submit a request to amend its CAP Strategic Plan in accordance with Article 119(2).

Figure 2: article 120 of the CSP regulation – source: regulation (eu) 2021/2115

The text provides similar explanations as the NECP guiding document, adding that, in the case of regulations, Member States have up to 6 months to provide their assessment. To see if the rule effectively applies to the new LULUCF, ESR and subsequent NECP targets, we have to check annexe XIII. In there, we indeed find that Regulation 2018/841 (LULUCF), Regulation 2018/842 (ESR) and Regulation 2018/1999 (NECP) are all included.

Additionally, and for future pressuring efforts on environment and climate action, it is important to note and not forget that other essential pieces of legislations are included in annexe XIII. Amongst them, we find legislation concerning water quality, conservation of natural habitats, nitrate pollution from the agricultural sector, air quality, promotion of renewable energies and sustainable use of pesticides.

# What can we expect?

In terms of timelines, the amended LULUCF and ESR targets are foreseen to be published in the Official Journal in June. The starting date should then be the 1<sup>st</sup> of July. From then, Member States have 6 months to assess the impact on their CSP, bringing us to the end of December. In addition, Member States can make use of their once-per-year amendment opportunity.

If Member States conclude that an adjustment is needed to keep up with the new targets and propose an amendment, perfect. But, when looking back at the whole approval process of the CSPs, it is clear that that scenario is unlikely.

In the case where a Member State would propose a poor justification for not amending their CSP accordingly to the higher ambition of new binding targets, it is unclear what the Commission could actually do to enforce an adjustment of the plan as there is no legal basis to do so. Although the

Commission could pressure Member States to adapt their plans, the failure of the Observation Letters having low impact on the approval process of the CSPs shows that the fight must take place on national level.

On a national level, it is more likely that pressure from civil society organisations and farmer's unions could force a State to act. When discussing amendments to be submitted, monitoring committees should be provided with more bargaining opportunities. But for that, stakeholders would need much better material on which they could base a pressuring campaign. Which brings us to the real limiting factor, besides the absence of legal instruments to enforce such improvements, that is coherent and thorough data sets as well as better indicators to enable real consistency checks on the CSPs.

Indicators R-12 to R-18 are used to assess the contributions of the CSPs to climate change mitigation. Those indicators are either based on "shares": share of agricultural area under-supported commitments, share of farms under-supported commitments, share of livestock unit under-supported commitments; or based on budget allocated. But those do not really convey the impact which completely depends on the quality of the measures.

In terms of data, disaggregated data on interventions and beneficiaries will only be reported by Member States in 2025.

Only with good data sets and improved indicators can we efficiently move forward. Without those, it is easy for Member States to simply disguise bad results, or anticipated results. This might be where the CAP Networks could be useful, by concentrating on ways to display comparable data sets, with budgets and quality of interventions included.

### Talking climate and agriculture requires tact

It is necessary to push for more climate ambition in the CAP Strategic Plans. It must be said that it is a point on which tact is required. The CAP is still primarily a tool for farmers and should in priority support the development of small-medium scale farming, agroecology, and attract young farmers.

Going back to Figure 1 and the NECP guiding book, we can directly see that the new climate targets can be used to propose solutions (e.g. Carbon Farming, Biofuels) that could put pressure on small-scale farming. Carbon Farming, when financed through voluntary carbon markets, or the development of biofuels, can both add pressure on land accessibility and prevent young farmers from finding appropriate land.

It's important to hold focus on the primary goal of transition towards agroecology when discussing farming and the CAP, even when talking about climate change. As it is often said, agroecology cools the earth.