**CAP: Starting on a new track**

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Like the Tour de France, the lengthy process of agreeing a periodic Common Agricultural Policy (CAP) reform has many twists and turns and everyone is exhausted by the conclusion. On this occasion, the European Parliament was an equal player for the first time, adding new layers to the process and a fresh dynamic. It was no mean feat for the Presidency to bring the exercise to a conclusion by the end of June and it would have been a miracle if it had been entirely tidy.

At the outset there were real expectations that a fundamental shift in the CAP would occur to align it more closely to the slogan of “public money for public goods”. While there has been a variety of views on what constitute public goods in this realm there is no question that environmental objectives are at the forefront. The Commission made a serious attempt to shift a significant part of CAP funds in the direction of the environment, choosing to do this by means of a “greening” package in the principal set of payments provided to farmers (Pillar 1 of the CAP), rather than boosting the second, Rural Development Pillar, traditionally the main vehicle for environmental measures. This carried considerable risks but it was intended to bring a green element to the great majority of European farms.

The outcome does signal a new direction for the CAP and, perhaps surprisingly, the principle of devoting 30 per cent of Pillar 1 payments to green measures is now established. However, the barriers to a true transformation of the policy have been delineated clearly. The rural development budget was reduced more than that for the CAP as a whole and governments were given new scope to shift money from this priority into Pillar 1. Lack of support for rural development in many countries was clearly linked to the need for national governments to provide part of the funding, which is not required in Pillar 1. Changing this crucial budgetary mechanism may be essential if greening is to go further. Within Pillar 1, the lack of consensus over how to spend the €83 billion or so on effective green measures and the desire of many governments to make the obligations as light as possible resulted in an unsatisfactory set of complex compromises.  Many farmers have no obligations at all while a minority, mainly larger arable farmers, will need to change some significant practices.

The deal gives national governments considerable flexibility and those which are committed to focusing more on the environment are able to do so. This gives an opportunity to provide leadership and to give some credence to political rhetoric about a new chapter for the CAP. New approaches can be deployed and there is a welcome commitment to monitoring so that the lessons can be learned and the evidence base for a more focused CAP strengthened. An early review of how the new approach is working would be valuable so that a genuine stock taking can take place by 2017 around the time that the whole EU Budget is reviewed. The environmental community has been frustrated and disappointed by the dilution of the environmental requirements since the Commission proposal first appeared. However, agriculture is not the only realm where the environmental ambition is in check. This reform might best be seen more as a dress rehearsal for more fundamental changes to come than as a durable new model.

*Source: IEEP newsletter, Summer 2013,* [*www.ieep.eu/newsletter/summer-2013/editorial---cap-starting-on-a-new-track*](http://www.ieep.eu/newsletter/summer-2013/editorial---cap-starting-on-a-new-track)*.*