

## Final Report 2019

**Application number:** 2017-19

**Project title:** “Healthier food from the ground up: Rewarding farmers for public goods provision”

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### a. Scientific report

A scientific report has to be sent per mail to Ek hagastiftelsen, Box 34 012, 100 26 Stockholm within 3 months after the project end. As the report also is to be distributed to the scientific committee the report should also be sent per e-mail to [info@ekhagastiftelsen.se](mailto:info@ekhagastiftelsen.se) as word processing files or Acrobat PDF files.

#### • Introduction with aims and hypothesis

Farmers are facing challenges at unprecedented scale in terms of environmental degradation, extreme climate events becoming more common, rural depopulation increasing and a stagnation in wages that goes back decades. Although the Common Agricultural Policy (CAP) with its large budget has big potential to transform farming - and to an extent, it has large land coverage and keeps farmers farming - the policy has had several negative effects including land concentration, factory farming, monocultures, high dependence on inputs and degradation of water and soil.

**Farming has two major roles in society, that of producing food and that of delivering environmental and socio-economic goods beyond food production.** The essential services delivered by farmers are beneficial to society and contribute to better health. In order to allow farmers to make decisions that will deliver public goods, they should not only be paid for the food they make but also for maintaining in good condition our water, air and soil, as well as for strengthening rural communities. In this shift, it is essential to structure a system around performance, which provides the right incentives to farmers for achieving several interlinked objectives, which will lead to avoid environmentally harmful agricultural activity and provide the production of environmentally beneficial public goods and services.

**In this context, IFOAM EU calls on policymakers to use public money to reward farmers for providing public goods for all, while mainstreaming IFOAM EU principles for organic farming – health, ecology, fairness, care.** This project stems from the hypothesis that to ensure the implementation of a remuneration system for farmers delivering public goods, it is necessary to prove that it is measurable at the farm level. Therefore, it is necessary to develop an efficient policy framework that can monitor public

goods provided by farmers and prove that their efforts have an impact on the environmental level but also on the socio-economic level, valued as beneficial to the society. Full integration of the principle of public money for public goods in policy frameworks can start creating more solid foundations for ensuring high quality food production and moving towards greater agricultural sustainability in Europe, while mainstreaming the application of IFOAM principles.

The next **Common Agricultural Policy (CAP) post-2020** is crucial to realise this vision. The reform for the next CAP was launched during the implementation of this project and IFOAM EU actively participated to positively influence the outcome of legislative process. In June 2018, the European Commission presented the legislative proposal on the CAP beyond 2020. The proposal introduced new elements that reinforced the so-called **Green Architecture** of the CAP, the environmental backbone of the policy.

A **new enhanced conditionality** replaced the cross-compliance and the greening payment requirements. Conditionality is a system of linkage between the area- and animal-based CAP payments (in Pillar I or Pillar II) and a range of obligations to deliver environmental benefits. When recipients of these payments (mainly farmers, but sometimes other land managers) do not meet the obligations, the payments may be reduced.

The proposal introduced **eco-schemes** in CAP Pillar I, payment schemes to deliver care for the environment and climate which will be funded from Member States' direct payment budgets. The eco-schemes represent a new possibility for spending part of the direct payments budget on care for the environment and climate. The eco-scheme would be a voluntary scheme for farmers, compulsory for Member States to implement, but with no ring-fenced budget at this stage of the negotiations. It would effectively supersede the greening as the key 'green' element of Pillar 1 forming part of the CAP's wider green architecture. The eco-scheme proposes to shift the focus away from common environmental rules defined at EU level, which are the basis for the current green direct payments. This new intervention type would instead give Member States the autonomy and flexibility to individually target and tailor Pillar I environmental and climate commitments towards their specific needs aligned to a common set of CAP objectives. Member States have the option to grant payments either as compensatory payments, covering income foregone for introducing a new practice, or as an incentive payment (top-up). (Report IEEP-IFOAM)

The eco-scheme is a mandatory intervention for Member States to set out in their **CAP Strategic Plans (CSPs)**. The Strategic Plans represent a new system, more flexible, of governance for the CAP. Through their Strategic Plans, countries will set out how they intend to meet one or more of the 9 EU-wide objectives of the CAP, including those targeting the environment and climate, using the instruments

provided by the policy, while responding to the specific needs of their territory, farmers and rural communities.

The Pillar II will continue to offer payments for environmental, climate and other management commitments, such as conversion to and maintenance of organic farming, which include what are currently known as "**Agri-environment-climate commitments**" (AECMs).

In order to achieve a better and more targeted CAP that supports environmental protection, IFOAM EU worked towards fulfilling the aims of the two work packages of this project:

- **WP1 Aim** – To develop, together with research institutes a concept on how to use public money efficiently for delivering public goods (PG), along with a proposal for payment models and sustainability tools, to have an evidence-backed document for advocacy work.
- **WP2 Aim** – To disseminate the research findings and advocate towards policy-makers for implementation of targeted measures, in line with the above-mentioned concept, in the next 2021-27 CAP programming period.

- **Material and methods**

*Work package 1:*

**Task 1.1 – 1.2** The background for this project was a concept note assessing the need to evaluate existing sustainability assessment tools that could be used to realise a payment model that rewards farmers for delivering public goods, developed by IFOAM EU and [Research Institute for Organic Agriculture \(FiBL\)](#), the leading research institute for organic farming. Under the project FiBL evaluated existing tools currently in use in Europe and abroad, as well as novel models that are still in the testing phase. In this process, the social scientists took into consideration the need for a model that can accommodate a large set of priorities (environment, climate, society and economy), diverging farming systems and a multi-layered management structure, the opportunities and challenges were identified. This research contributed to a report entitled: “Towards a new public goods payment model for remunerating farmers under the CAP Post-2020”<sup>1</sup>. The report was officially published in December 2017 and it served as a basis for discussion with the Commission and for a workshop on February 2018, and it was publicly launched with a [press release](#)<sup>2</sup> on 10 April 2018. By providing qualitative findings through expert interviews and through the analysis of payment models and sustainability tools that can facilitate the delivery of public goods in farming, this report aimed to present suggestions on how to implement the concept in the context of the Common Agricultural Policy revision. On the basis of the report, and consistently with its 2017 long-term vision<sup>3</sup> for the CAP, IFOAM EU organised several bilateral meetings with the European Commission (DG AGRI and DG ENV) in early 2018 to discuss the findings of the research and further work. The above-mentioned workshop was organised with environmental NGOs on the 8<sup>th</sup> February 2018. This interaction led to further development of such tools and concepts towards the integration into the preparatory work of the CAP proposal, published in June 2018 by the European Commission. Furthermore, a workshop with representatives of organic farming associations was held in November 2018 to discuss further research, described in the Task 1.3.

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<sup>1</sup> Stolze, M., Frick, R., Brüggemann, J., Meredith, S. & Schader, C., (2017) ANNEX I “Towards a new public goods payment model for remunerating farmers under the CAP Post-2020”. IFOAM EU & FiBL, 1-21. Link [here](#).

<sup>2</sup> Press release, IFOAM EU (2018), A new payment model for the Common Agriculture Policy – New Report. Link [here](#).

<sup>3</sup> Position paper, IFOAM EU (2017), “A CAP for healthy farms, healthy people, healthy planet. Public money must deliver public goods”, January 2017. Link [here](#).

### Task 1.3

After the publication of the Commission's proposal on the CAP, IFOAM EU identified the need to analyse how a public good payment model could be integrated in the new CAP proposed "green architecture". Therefore, IFOAM EU decided to realise a follow-up of the report with both FiBL and the [Institute for European Environmental Policy \(IEEP\)](#), a sustainable think tank leader in providing policy insights and research. A two-steps approach was agreed with the scientists: publication of a first report on eco-schemes in early 2019, followed by a practical guide on how to implement eco-schemes at the national level, for the Member States expert, finalized at the end of 2019.

The social scientists closely evaluated the Commission's proposal with the aim to concretely integrate the Payment model in the new CAP. Experts from national ministries were consulted through questionnaires and interviews and an expert workshop was organised in Brussels in June 2019 with national CAP experts and permanent representations, to understand their concerns and to acquire technical guidance.

### Task 1.4

With these inputs, combined with the lessons learned from the report on public goods, the social scientists developed a first report published in January 2019 called **"CAP 2021-27: Using the eco-scheme to maximise environmental and climate benefits"**<sup>4</sup>, with the primary focus on how to effectively deliver public goods through the newly proposed *eco-schemes*, as described in the introduction of this report, and the rest of the CAP green architecture (including *agri-environmental commitments* and *enhanced conditionality*) with the help of strengthened *Farm Advisory Services*. The report presents the advantages of eco-schemes, more flexible and more adaptable to national and regional strategies, and 100% financed by the EU in contrast to commitments funded by the EARDF.

The second report, **"Eco-schemes in the New CAP : A Guide for Managing Authorities on the use of Eco-schemes in their 2021-27 CAP Strategic Plans"**<sup>5</sup> is a guide aimed at developing practical guidelines to help Member States designing their CAP Strategic Plans for the programming period 2021-27, in a way that maximises public goods delivery. This guide has been developed primarily for policy makers and Member State officials involved in the national and regional programming processes of the CAP Strategic Plans. Social scientists from FiBL and IEEP worked on this guide between January and November 2019.

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<sup>4</sup> Meredith, S. and Hart, K. (2019), "CAP 2021-27: Using the eco-scheme to maximise environmental and climate benefits", report for IFOAM EU by IEEP. Link [here](#).

<sup>5</sup> Stolze M. et al. (2019) "Eco-schemes in the New CAP : A Guide for Managing Authorities on the use of Eco-schemes in their 2021-27 CAP Strategic Plans", report for IFOAM EU by IEEP, link [here](#)

## *Work Package 2:*

### **Task 2.1**

Considering the researches and the IFOAM EU position regarding the CAP, an internal Communication and Advocacy Strategy for the CAP revision named **Ensuring Public Money for Public Goods**<sup>6</sup> was developed in August 2018 to address the different environmental goals, in line with organic and agroecological principles. The strategy holds a special focus on targeting the European Commission services and the members of the European Parliament on the new CAP legislative proposal, with the main objective of achieving a more progressive and ambitious CAP based on rewarding farmers who voluntarily do more for the environment and society by delivering public goods. The document is not published as it serves merely for internal purposes.

### **Task 2.2**

The report on Public Goods and the report on eco-schemes developed in the first part of the project, have been publicly launched respectively in April 2018 and in January 2019, as e-publications. It was considered that due to the technical nature of these studies, their purpose was best served in their original form and therefore brochures were not realised.

The guide for Member States on eco-schemes was finalised in November 2019. Printed versions will also be available in the beginning of 2020 and distributed to policy makers, EU officials, and NGOs.

The publication of the reports and their main results were advertised through press releases, drafted by the Policy and the Communications units, and the IFOAM EU's weekly newsletter. The study and the guide were uploaded in the website's library and news items. Consequently, they were disseminated through several other communication channels, such as targeted emails to policy-makers in Civi-CRM (the communication software) and social media platforms.

The dissemination activities pursued the objective of reaching policy-makers from EU institutions other relevant stakeholders such as permanent representations, as part of the core strategy foreseen by the project to achieve a new CAP based on payments for the delivery of public goods. The guide is going to be central for IFOAM's EU advocacy activities on the CAP in 2020.

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<sup>6</sup> IFOAM EU (2018), "Ensuring Public Money for Public Goods, Advocacy & Communications Strategy for the design of the 2021-2027 Common Agricultural Policy (CAP)".

### Task 2.3

IFOAM EU Policy Unit organised a **full-day dissemination event “The Future of Organic Farming & CAP post-2020”** <sup>7</sup> on 20<sup>th</sup> November 2019 to discuss about the CAP reform. The event took place in Finland due to the country leadership position, as it held the Presidency of the Council of the EU during the semester July-December 2019. During the seminar, the research findings obtained by the consortium (IFOAM EU, IEEP and FiBL) were further disseminated amongst policy-makers, civil society representatives and organic farmers organisations. IFOAM EU Policy officers and researchers from FiBL presented the results of the report on Public Goods and the recommendations contained in the guide on eco-schemes, in order to trigger a discussion among attendees and to make policy-makers more aware of the concrete relevance of the Payment model developed.

### Task 2.4

IFOAM EU circulated the report on eco-schemes during several meetings and events with policy makers in 2018, in order to influence the position of policy makers at the initial stage of negotiations. It is worth noting the participation to an event at the European Parliament on October 2018, when EU Commission officials, Members of Parliament, NGOs representatives and farmers discussed opportunities of the green architecture of the CAP proposal and ways to step up ambition. IFOAM EU was especially active during the negotiations within the European Parliament, suggesting amendments to MEPs.

After prolonged CAP negotiations, the approval of the CAP reform was delayed due to the election of the European Parliament and the composition of the new European Commission. As a result of the delay, contacts with the institutions to advocate for a new CAP based on public goods, extended across 2018 and until the end of 2019 (and will possibly continue in 2020).

During 2018 and 2019, the advocacy efforts of IFOAM EU have been centred on three main aspects: targeting the EU institutions; working together with partners at European level; and mobilising membership (organic movement) to implement advocacy at national level.

The advocacy activity targeting European policy-makers was realised both through the organisation of bilateral meetings and with the participation to joint meetings with other NGOs active in the CAP reform. IFOAM EU participated to several DG AGRI Civil Dialogue Groups (CDGs) to ensure a flagship public goods payment model is at the heart of the CAP.

In order to increase the success rate of advocacy activities for remunerating farmers for their delivery of public goods, was deemed essential to strengthen strategic working relationships on CAP with grassroots

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<sup>7</sup> Please, see the agenda of the event among the documents attached to the report.

organizations within the organic movement and with other civil society organizations, especially environmental NGOs. Cooperation with other organizations on the CAP was carried out usually in the frame of the CAPNGO, an informal network that meets about once a month to share information on the latest political developments of the CAP and on other relevant activities of the organizations.

### • Result

#### *Work package 1:*

The work of ecological and socio-economic researchers from the consortium IFOAM EU, IEEP and FiBL, developed solid scientific research which was employed as the main advocacy tool to support a payment model for farmers that rewards them for the delivery of public goods. The results emerged from the WP1 activities, such as literature review, researches and outcomes of a workshop, were embedded in the report “**Towards a new public goods payment model for remunerating farmers under the CAP Post-2020**”, which was then published and disseminated among EU policymakers and relevant stakeholders.

The workshop organised in Brussels in February 2018 on the new **CAP Payment Concept** allowed the researchers to present the main findings related to the first report and to discuss the potential mechanisms of a new results-based system, the opportunity of using flexible point systems and the interaction of both pillars in achieving this new system. The workshop represented a cornerstone of the entire activity of IFOAM EU to conceptualise the new model, tackling the issues related to its effective implementation.

The outcomes of the workshop, as part of extended data collection phase, resulted in the report “**CAP 2021-27: Using the eco-scheme to maximise environmental and climate benefits**”, developed to advise Member States on how to efficiently design CAP Strategic Plans to optimise public goods delivery through the new instrument of eco-schemes. The deliverables were effective in influencing the CAP negotiations in the European Parliament, already at the initial phase (in the second half of 2018, after the proposal was published by the European Commission). This guide complements well the latest IFOAM EU’s CAP position (October 2018)<sup>8</sup>, giving additional depth to IFOAM EU’s policy recommendations.

Together, both reports and the guide on eco-schemes further developed the **Public Goods concept** and defined how it could be applied at EU level, fitting within the new CAP Green Architecture. The reports contributed to conceptualising and providing scientific basis to a model that affirms the value and

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<sup>8</sup> Position Paper, IFOAM EU (2018), “Towards a post-2020 CAP that supports farmers and delivers public goods to Europeans. Avoiding a race to the bottom - An ambitious and better targeted CAP”. Link [here](#).



contribution of agroecological and organic farming systems within a results-based CAP; whilst the guide provided technical direction for the implementation of the model by Member States.

### *Work package 2:*

The **CAP Communications and Advocacy Strategy** of IFOAM EU was finalised in August 2018 and it is underpinned by the principle that public money should be used for the delivery of public goods (environmental and socio-economic development in rural communities). The strategy has been employed during discussions and negotiations on the legislative proposals on the EU budget post-2020 and CAP post-2020 respectively.

The seminar The Future of Organic Farming & CAP post-2020 was a flagship event of the project, when IFOAM EU Policy Unit and researchers from FiBL could present the newly developed guide for Member States on the practical implementation of Eco-Schemes to national agricultural and environment ministries representatives. In this context, the position of IFOAM EU and the organic movement on the CAP and the CAP reform post-2020 was disseminated and discussed among participants, including regional and European farmers and civil society organizations.

IFOAM EU kept constant contact with the **European Commission** at bilateral meetings and during events organised by the organization. In line with the internal strategy, IFOAM EU organised several bilateral meetings with Commission officials (DG AGRI and DG ENV) at different levels (Officers, Head of Units, Directors) before the publication of the Commission proposal for CAP post-2020, in June 2018, to share IFOAM EU's view on a new CAP centred on public goods, in coherence with the progressive arising of the research findings. Other meetings have been carried out afterwards, to ask for clarifications on different aspects of the proposal.

Throughout 2018 and 2019, IFOAM EU has actively engaged with the **European Parliament** - directly - and with the **Council of the EU** - through its members - to rally support for a more ambitious CAP that matches more closely with the organic movement's vision and the public goods payment model. IFOAM EU presented 23 amendment recommendations and achieved significant results as most of them were tabled by different political groups as amendments within the European Parliament in December 2018.

While the research was still ongoing, IFOAM EU used the scientific results already available at the time to integrate and reinforce its position. The new Payment model was presented to the main Groups of the European Parliament in over 20 meetings, including to the key MEPs responsible for the CAP dossier (i.e. Rapporteurs and Shadow Rapporteurs) as well as the Secretariats of the groups in both the Agriculture and Environment committees. On the Council side, the Director of IFOAM EU has met most of the Member

States Permanent Representatives (PERMREPs) based in Brussels during May 2019, when the CAP reform was one of the main topics. Moreover, IFOAM EU has established a valuable selection of CAP contacts in national ministries at different levels that can be influential both at the Council level and locally.

As an active member of the European Commission's **Civil Dialogue Groups (CDGs)** on agriculture, IFOAM EU took part to the meetings of the three relevant DG AGRI CDGs. The key CDGs on the CAP include the CAP, Direct payments and Greening, and Rural Development. IFOAM EU is also part of the Structured Dialogue with European Structural and Investment Funds' partners group of experts. IFOAM EU usually has 2-3 permanent seats in these CDGs which were filled by designated IFOAM EU members with a seat reserved for the office. The election of IFOAM EU's president Jan Plagge, on behalf of the organisation, is an important result that allowed IFOAM EU to chair the main CAP CDG for the first time.

Besides the CAP communications and advocacy strategy developed by our team as explained throughout this final report, IFOAM EU made some improvements regarding the coordination of CAP advocacy actions at national level through the work done by its members taking part to the Farmers Group. The strategy of strengthening the lobbying capacity on CAP of farmers at national and local level is intended to have an impact within the Council, both in terms of preparing advocacy material (e.g. position papers and amendments) and of employing it within their ministries.

#### *Other dissemination activities:*

In line with the principles and the dissemination activities of the organisation, IFOAM EU regularly organizes and participates to events on its core topics. Two key annual events were especially dedicated to the CAP in 2019: Policy Day at the Organic Fair Biofach and the European Organic Congress, bringing together key organic stakeholders, including the participation of policy-makers.

From the 13<sup>th</sup> to the 16<sup>th</sup> of February 2019, IFOAM EU joined **Biofach**, one of the biggest annual organic trade fair and conference in Nuremberg. IFOAM EU organised a policy day session in cooperation with Biofach called [“A new CAP for healthy farms, people and a healthy planet”](#). The discussion focused on how the future CAP can reward the full-scale transition towards sustainable farming systems that respect nature, the environment and health. The panel and audience was composed by organic stakeholders (farming associations, researchers, companies) and high ranking political and European Commission representatives, which allowed to further discuss and spread knowledge about agroecological and organic farming as solutions for public goods delivery, presenting the remuneration system as key mechanism to secure and increase the production of public goods in agriculture.

The 2019 edition of the **European Organic Congress (EOC)** took place between the 20<sup>th</sup> and the 21<sup>st</sup> of June 2019 in Romania, where IFOAM EU organised a session named [“A greener and fairer Common](#)

[Agricultural Policy for citizens and farmers](#)". The aim was to fuel a high-level discussion between national ministries, European Commission officials, representatives of civil society and farmers on the revision of the Common Agricultural Policy (CAP). The main focus of the discussion was the contribution of the CAP's new Green Architecture for the benefit of farmers, consumers and rural communities and the role of organic farming in achieving the CAP objectives. In this regards, IFOAM EU highlighted the importance of the implementation of the concept "public money for public goods", under the eco-schemes and the policy's New Delivery Model (i.e. a new CAP model that is based on delivery of performance, shifting the governance from compliance-based to result-based).

In June 2019, IFOAM EU planned to reach Member states representatives in Brussels through a workshop<sup>9</sup> on the implementation of the new Payment Model in the Green Architecture of the future CAP, with a special focus on eco-schemes.

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<sup>9</sup> IFOAM EU, IEEP, FiBL, "Making the most of eco-schemes in the new CAP: Expert workshop on green architecture design", Workshop, 25 June 2019, Brussels.

### • Discussion with conclusion

The project **“Healthier food from the ground up: Rewarding farmers for public goods provision”**, developed a set of concepts that outlines the benefits of remunerating farmers' provision of public goods and mainstreamed them to the relevant policy-makers, advocating for the remuneration system to be implemented within the next Common Agricultural Policy (CAP) 2021-2027.

The Commission's proposal for the CAP published in June 2018 already contained the outline of several recommendations emerged from IFOAM EU research for the creation of a CAP system based on performance that can deliver public goods across both pillars. Moreover, it included several key innovations that the organic movement has been regularly requesting:

- The possibility to fund ambitious environmental action in the Pillar I of the CAP (where ¼ of the budget is) under the new eco-scheme instrument.
- Stronger environmental rules under conditionality, raising the minimum baseline for compliance for all farmers.
- The shift to a New Delivery System that is based on results and shaped around common EU-wide objectives.
- Specific indicators for organic farming which link to the CAP common objectives.

With a joint effort with its members, IFOAM EU realised its position on the CAP proposals and drafted amendment recommendations that seek to strengthen the environmental and social aspects of the policy. Several IFOAM EU recommendations were taken into account during the votes in the Environment and Agriculture Committees in February and April 2019. Nevertheless, some aspects are going to be redefined with the new parliament.

After the elections of the new European Parliament in May 2019, the institution now counts 60% of newly elected MEPs who want to express their views on the CAP proposal. New negotiations are going to take place until the vote in plenary expected around spring or summer 2020. The proposal will be again under scrutiny in the **EP's Agriculture and Environment Committees** and subject of negotiations with the Commission and the Council during the trilogues that may start next summer under the German presidency of the European Union CAP negotiations will also be dependent on the decision on the budget (the so-called Multiannual Financial Framework) expected in the first part of 2020. IFOAM EU will continue to represent the organic movement's position during the future negotiations on the Common Agricultural Policy.

It is important to add that on 7 December the European Commission presented the "New Green Deal" for EU. It includes a number of actions to undertake to fight climate and environmental challenges. Also, thanks to advocacy work of IFOAM EU, organic farming has been included as sector who can contribute to the achievement of these goals. Organic will be included in the upcoming farm to fork strategy and will get a dedicated European organic action Plan.

• **Scientific publications created by the project:**

- *Research project* - "Towards a new public goods payment model for remunerating farmers under the CAP Post-2020", FiBL, IFOAM EU, December 2017.
- *Report* - CAP 2021-27: Using the eco-scheme to maximise environmental and climate benefits, IEEP, IFOAM EU, January 2019.
- *Report* - "Eco-schemes in the New CAP: A Guide for Managing Authorities on the use of Eco-schemes in their 2021-27 CAP Strategic Plans", FiBL, IFOAM EU, November 2019.

• **Other non-scientific sources:**

- *Communication and Advocacy Strategy* - Ensuring Public Money for Public Goods, IFOAM EU, August 2018.
- *Position Paper* - Towards a post-2020 CAP that supports farmers and delivers public goods to Europeans, IFOAM EU, October 2018.