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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE EVALUATION

of the

**Regulation (EU) No 1307/2013 of the European Parliament and of the Council
of 17 December 2013
establishing rules for direct payments to farmers under support schemes within the
framework of the common agricultural policy and repealing Council Regulation (EC)
No 637/2008 and Council Regulation (EC) No 73/2009**

concerning the greening in direct payments

{SWD(2018) 478 final}

The reformed Common Agricultural Policy (CAP) - fully implemented as of 2015 - introduced green direct payments¹ to enhance agriculture's environmental/climate performance linking 30% of direct payments to the respect of three obligatory practices:

- Crop diversification: above a certain size two or three crops on arable land;
- Maintenance of permanent grassland: i) maintain level of permanent grassland at 95% of total agricultural area; ii) protect the most environmentally sensitive permanent grasslands from ploughing-up;
- Ecological Focus Area (EFA): manage at least 5% of the arable land of farms over 15 hectares of arable land as EFA (combination of management practices or landscape features).

These obligations can be fulfilled also with alternative equivalent practices.

The evaluation covered all greening aspects for a full view on its performance against its objectives. It found that despite the objectives set out in the regulation rather administration and agricultural considerations than environment and climate were major drivers in the Member States' implementation choices.

The overall effects on farm management practices and environment/climate are uncertain but obviously fairly limited and variable across Member States, depending on measure, area concerned and its management, and with no significant effect on agricultural production and economic viability. EFAs' impact on areas available for crop production was very low. Crop diversification led to slight decrease in areas for cereals and increase for oilseeds, and - together with the implementation choices for EFA - led to increased areas for dry pulses and leguminous plants. No significant effects on prices were identified.

Yearly administration costs are estimated for Member States at €27 – 76 million; for the Commission at €0.6 million; for farmers at 3-9 hours or €36 – 217 million (quite independent from farm size).

Greening is generally coherent with other measures relevant for the CAP general objectives 'sustainable management of natural resources and climate action', 'viable food production' and 'balanced territorial development'. Incoherence may occur, if a Member State definition of permanent grassland for direct payments is so restrictive that it excludes environmentally sensitive grassland from greening's scope. External coherence with other EU environmental and climate legislation and objectives is ensured in most cases.

All greening measures have some relevance for environmental and climate needs/problems, but often limited by specific associated rules, crop diversification being least relevant (even for soil).

¹ Chapter 3, Title III, of Regulation (EU) 1307/2013 ('Direct Payments Regulation'), on the payment for agricultural practices beneficial for the climate and the environment ('green direct payment')

The definition of greening measures at EU level provides added value, by setting a higher level of environmental ambition, more uniformity (but with considerable scope for divergence), and by a stronger financial incentive than can be expected from Member States.

The evaluation provides evidence that greening as currently implemented has not fully realised its ambitions for the environment and climate. Stakeholders are perceiving the administrative burden as high.

Taking account of this evaluation, the Court of Auditors special report on greening² and stakeholders' opinions, the European Commission tabled proposals for instruments and methods to enhance the CAP's environmental and climate performance post-2020³. They duly took into account the finding and conclusions of the evaluation study, in particular as regards targeting toward environmental objectives, flexibility for Member States and simplification.

² Special report n° 21/2017: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=44179>

³ Communication : COM(2017) 713 final, 29.11.2017; Legislative proposals: COM(2018) 392, 393, 394 final, 1.6.2018