ENVIRONMENTAL APPROACH OF THE CAP LEGISLATIVE PROPOSAL

JEL classification: Q18

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Abstract. *The proposals for the CAP for the 2014–2020 period were heralded by the Agriculture Commissioner as providing 'a new partnership between Europe and its farmers' that will 'enhance both the economic and ecological competitiveness of agriculture', to meet the 'challenges of food security, sustainable use of natural resources and growth'. For the past two decades, the integration of environmental concerns within the CAP has been characterised by a gradual shift in emphasis towards more targeted, regionally defined and programmed approaches, embodied in the agri-environment measures and Pillar 2 more generally, underpinned by cross compliance. These elements all remain within the current proposals, however, a major new element has come into play – the introduction of green direct payments in Pillar 1. The proposals aim to extend a basic level of environmental management to the majority of farmland in Europe, recognising the scale of the environmental challenges to be met. However, these are contentious proposals, faced with criticisms that they are both too demanding and too weak. At the same time, their introduction is coupled with a net reduction in the Pillar 2 budget over the next programming period. Within the context of the broader CAP proposals, this paper considers the opportunities and risks embodied in the proposals for green direct payments as well as possible alternative options. It considers the implications of the proposals for the environment and whether they genuinely will lead to the much needed improvements in environmental outcomes required to meet the significant environmental and climate challenges facing the EU.*

Keywords: *CAP reform, greening, environment*

1. Greening the CAP – the context

The integration of environmental concerns into the CAP, or 'greening' as it is often referred to, features as a core element of the objectives and rhetoric surrounding the legislative proposals for the future CAP. The 'sustainable management of natural resources and climate action' is one of three core objectives proposed for the CAP for the period 2014–2020, alongside viable food production and balanced territorial development in line with the objectives of the EU2020 Strategy (European Commission, 2010a) and is justified due to the fact that environmental public goods are not adequately provided by the market[1].

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Note: The opinions expressed in this article are the sole responsibility of the authors and do not necessarily represent those of IEEP or the European Parliament)

[1] Explanatory memorandum of COM(2011) 625/3

The environmental challenges facing the EU continue to be significant (see for example EEA, 2010). A step change is needed to increase the provision of environmental public goods over a far greater area of farmland. This requires a combination of simple, broad brush management and more tailored and targeted approaches (Hart *et al*, 2011). There is a variety of reasons why this is not happening currently, which involve the policy architecture at the EU level as well as other political, financial and institutional factors which affect implementation on the ground (Poláková *et al*, 2011).

Addressing the EU's environmental challenges, not least meeting ambitious targets for biodiversity and climate, is only one of a range of factors driving the CAP reform proposals. Other strong drivers include a need to respond to questions about the purpose and legitimacy of direct payments, still representing the lion's share of CAP expenditure, and to change the basis of these payments away from historic production. At the same time the proposals have had to take into account the current economic crisis which is placing significant pressures on the budget in many Member States, reflected in the Commission's proposal to keep the overall CAP budget at 2013 levels (without account being taken of inflation) and not to increase the proportion of the CAP available for Pillar 2, to avoid Member States needing to increase their co-financing rates.

2. Key environmental components of the CAP legislative proposals

The Commission's proposals for 'greening' the CAP comprise a number of different elements, including cross compliance, the new green element of direct payments, a re-designed and restructured rural development policy and an increase in the scope of the Farm Advisory System (Bascou, 2012).

To date, two policy instruments have been used predominantly to deliver environmental public goods through the CAP – rural development policy, particularly through the agri-environment measure, and cross compliance. Rural development policy has become the core element of the CAP to deliver targeted actions for achieving environmental benefits from Europe's rural areas. A particularly important characteristic of rural development policy is the flexibility given to Member States and regions to design multi-annual programmes of measures that respond to the needs and priorities identified nationally, regionally or locally, within an overarching EU framework. However, to be effective, rural development policy needs to work alongside regulation that is implemented fully and adequately enforced. Within the context of the CAP, cross compliance (both the Statutory Management Requirements (SMRs) and standards of Good Agricultural and Environmental Condition (GAEC)) provide an important baseline for environmental management, particularly in relation to soils, water and biodiversity (Cooper *et al*, 2009; Poláková *et al*, 2011).

Both these elements remain in the new proposals, albeit with some changes. Indeed, future rural development policy will continue to play a critical role in supporting the provision of environmental public goods in rural areas. Two of the six priorities for action proposed relate specifically to the environment[2]. 'Caring for the environment' and 'contributing to climate change

[2] Objective 4: Restoring, preserving and enhancing ecosystems dependent of agriculture and forestry; and Objective 5: Promoting resource efficiency and supporting the shift towards a low-carbon and climate resilient economy in the agriculture, food and forestry sector

mitigation and adaptation' also feature as common goals and cross-cutting themes, which will have to be reflected adequately in the activities Member States choose to fund under all priorities within future rural development programmes.

The range of measures relevant for the environment within the legislative texts has not changed significantly, but includes a welcome new focus on innovation and collaborative action. However, the replacement of the current axis structure with six priorities, without any constraints on which measures can be used to deliver each priority, should help to increase the scope, flexibility and incentive for Member States to address environmental priorities as creatively as possible and to use packages of measures and promote action to deliver the needs identified within their programmes (ENRD, 2011; European Commission, 2011). The proposal to earmark 25% of funds for land management and climate actions, although not legally binding in its current form, is also positive to ensure that limited funds are not diverted wholly into measures for competitiveness and risk management without taking account of environmental priorities.

In addition the introduction of a new initiative, the European Innovation Partnership (EIP) for agricultural productivity and sustainability, offers new opportunities for delivering environmental benefits. In light of future pressures on rural land in the EU and the slow-down of growth in Europe's technological development, this aims to integrate sustainability into all components of agricultural production and 'promote a resource efficient, productive and low emission agricultural sector, working in harmony with the essential natural resources on which farming depends' (European Commission, 2012).

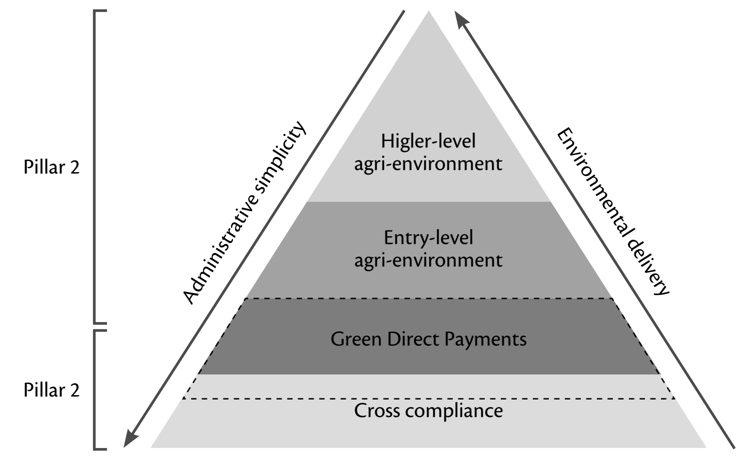
Less positive for the environment is the lack of commitment to increase the proportion of the CAP allocated to rural development policy, with the result that its budget continues to be dwarfed by that of Pillar 1 and will decline in real terms from 2014–2020. Indeed, alarmingly, it is proposed that 12 Member States should be permitted to transfer a proportion of their rural development budget to Pillar 1 to help bring their income support payments nearer to the EU average, thereby reducing an already stretched budget yet further.

In relation to cross compliance, positive developments involve the inclusion of new requirements for Member States to develop GAEC standards for maintaining soil organic matter and protecting wetland and carbon rich soils. The CAP proposals also place a reinforced emphasis on advice, with the focus of the Farm Advisory System now expected to go beyond cross compliance and include environmental issues under rural development policy as part of its minimum scope.

The most radical new environmental element of the current CAP proposals, however, is the introduction of environmental measures as part of Pillar 1 direct payments. The proposals consist of three distinct measures, designed to be universally applied, annual and non-contractual 'ensuring that all EU farmers in receipt of support go beyond the requirements of cross compliance and deliver environmental and climate benefits as part of their everyday activities.'[3]. Thirty per cent of direct payments are to be allocated to these measures and they are to be mandatory for all recipients of direct payments except registered organic farmers and those entering the new small farmers scheme. If any of the requirements are incompatible with management plans in Natura 2000 areas, then they will also not apply. They will therefore form a new reference level for activities funded through relevant rural development measures (see *Figure 1*).

[3] Explanatory memorandum of COM(2011) 625/3

Fig. 1 - Simplified diagram of how green direct payments fit within the CAP structure



Source: Higler-lee

These 'green direct payments' have proved the most contentious element of the proposals from an environmental perspective. The debates focus on ways of amending their design and implementation, on the one hand to improve the environmental benefits that can be achieved through the measures, and on the other, to minimise the degree to which the measures impinge on productive farm activities. It is these proposals for greening direct payments that form the focus of the remainder of this article.

3. Greening Direct Payments

Three measures have been proposed within the Pillar 1 Direct Payments system as 'payments for agricultural practises [sic] beneficial for the climate and the environment'[4]. These are:

- Crop diversification - requiring 3 different crops on arable land of more than 3 hectares;
- Permanent grassland - requiring the maintenance of 95% of the area of permanent grassland on the farm in 2014; and
- Ecological Focus Areas - requiring a proportion (currently seven per cent is proposed) of a farm's eligible hectares under arable or permanent crops to be allocated for ecological purposes, for example as landscape features, buffer strips or fallow land.

Land registered as organic is exempt from these requirements. The Commission has made it clear that the intention is to increase the geographic area of agricultural land over which environmental management takes place. The proposals leave a great deal still to be interpreted and defined. There is very little further detail within the legislative proposals or the Impact Assess-

[4] Chapter 2, Articles 29–41 of COM(2011)625/3, Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (2011/0280 COD)

ment on how these measures might work in practice, with the Commission having the power to develop the detail through delegated acts.

The list of measures ultimately proposed differs somewhat from the ideas put forward in the initial Communication on the CAP towards 2020 (European Commission, 2010b). This suggested a crop rotation measure instead of the more limited crop diversification measure as well as a green cover measure on soils to avoid bare soil, particularly over the winter months.

In putting forward these proposals, the Commission has recognised the scale of ambition needed to make a step change in environmental delivery required. In principle, the greening of direct payments could:

- provide a strong environmental baseline for all CAP support provided to land managers;
- increase uptake of basic environmental management across the majority of the farmed landscape;
- provide a foundation on which more demanding agri-environment schemes under Pillar 2 can build; and
- release more funding for targeted Pillar 2 measures (Hart and Baldock, 2011).

However, the question remains whether the proposals in their current form are capable of delivering this ambition. The magnitude of the benefits will depend on the detailed requirements, which have not yet been determined. Any assessment of potential impacts, therefore, is highly speculative. Nonetheless, green direct payments should increase the level of environmental management delivered in the EU simply by providing a stronger means of ensuring a basic level of management across the farmed area than the GAEC standards, whose delivery is variable (Alliance Environnement, 2007). The extent of this added benefit is difficult to measure, and inevitably will be greater in countries which have been less ambitious in implementing and enforcing cross compliance (IEEP, 2011).

In relation to the individual greening measures, each has a range of potential benefits and issues which may serve to constrain this potential. For example, in relation to the crop diversification measure, introducing a minimum level of diversity into cropping patterns has the potential to bring some benefits for the environment, e.g. for soil biodiversity, particularly if it encourages greater rotation of crops, including the introduction of fallow or legumes into the rotation.

Requiring permanent pasture to be maintained at the farm level should be beneficial for biodiversity as well as water quality, soil quality and carbon storage. However, the measure focusses only on maintaining grassland area rather than protecting or enhancing its ecological quality. The most widespread impacts would be to constrain the conversion of improved grasslands or semi-natural grasslands of high biodiversity value to temporary grasslands and arable crops (e.g. maize) (Poláková *et al*, 2011). The setting of 2014 as the baseline for the measure is a concern, however, as it provides a powerful incentive for the ploughing up of permanent grassland in the interim, which would lead to significant ecological damage as well as soil carbon losses (Jowit, 2012).

The measure with the greatest potential to deliver additional environmental benefit is the Ecological Focus Area (EFA) measure. Managing a proportion of the cropped area for ecological purposes has the potential to provide benefits for biodiversity (birds, mammals and invertebrates), water quality, soil quality and carbon storage if managed appropriately. This is evidenced from monitoring results of similar management undertaken under agri-environment schemes and set-aside in the past. However, the evidence also demonstrates that the range and level of environmental benefits provided by an EFA depends on a number of factors, including the location of the option; its permanency; the management and agricultural practices pursued; the proportion of the holding managed as EFA; and the environmental management required (Allen *et al*, forthcoming). There is also a risk that the potential benefits of EFAs, particularly for biodiversity, may not be maximised due to farmer preferences for field boundary and margin management rather than creating environmental areas in-field, such as areas of fallow (Poláková *et al*, 2011). It is argued, therefore, that targeting and appropriate tailoring of management practices within EFAs could improve the outcomes for biodiversity as well as water quality, soils, carbon storage and climate adaptation (Allen *et al*, forthcoming; Poláková *et al*, 2011).

It is important not to assess the potential impact of the green direct payments in isolation, however. Indeed, perhaps the greatest potential environmental benefit from these measures is the foundation that they provide on which more focussed agri-environment schemes can build within rural development policy.

Despite the body of evidence demonstrating that greening would have potential to deliver a positive environmental impact, it is this part of the Commission's reform package that has been the most contentious. COPA-COGECA (2012), the European umbrella farming lobby organisation, has cited inefficiencies in the Commission's preferred way of achieving environmental benefits, along with the possibility of perverse outcomes, including short-term impacts on food productivity. In the opinion of some environmental NGOs (Birdlife, 2012; EEB, 2012), however, some of the greening measures do not go far enough and may risk watering down previous requirements established under cross compliance.

The reaction of the early institutional debate is harder to characterise, beyond observing the general negativity surrounding the greening plans. The perceived added cost and bureaucracy involved with green direct payments has been a common theme of the public debates within Agriculture Council. This is mirrored in the European Parliament, with the Agriculture Committee even adopting into its opinion on the Commission's Biodiversity Strategy to 2020 the fact that it "does not support the Commission proposal to create an additional, 'greening' payments component, as proposed in the draft reform of the CAP towards 2020" (European Parliament, 2012).

4. Potential weakening of the proposals

Given such opposition to the proposals currently on the table, there is a considerable risk that the environmental potential of the existing legislative provisions could be weakened through the negotiation process or, less likely, removed altogether (Matthews, 2012).

Options raised so far include the possibility of making the greening payment voluntary at farm level, so that the sanctions for non-participation would not extend beyond the loss of the green payment itself. A voluntary approach would inevitably increase the policy 'deadweight', as economic theory suggests such an approach would lead farmers to opt out where they face greening costs at or above the level of green direct payments. If these farmers were taken out of the equation, this is likely to leave only those farmers taking up the green measures for whom little change would be required to their current management. Moreover, it would undermine the intended establishment of a higher universal baseline of environmental delivery across the whole EU, one of the main justifications for a Pillar 1 approach to greening. It could also bring into question the rationale for the whole policy change, since it would reduce the added environmental benefit delivered to address the environmental challenges. Merely maintaining the status quo could, at best, be seen as helping to constrain the continuation of certain negative trends that might otherwise be observed in some regions, for example the conversion of permanent grassland to arable cultivation or temporary leys.

Among the possible counter arguments is the view that rewarding voluntary participation could promote a more committed attitude towards delivery compared to penalising non compliance (Hart *et al*, 2011). For some more economically liberal Member States it might also be appealing that the shield of environmental legitimacy would be narrowed to cover only the greening payment, exposing the Basic Payment Scheme to pressure in relation to its ongoing legitimacy, either now or in future. Voluntary greening might seem more attractive if the unspent money from farmers opting out was transferred to Pillar 2 and ring fenced for agri-environment measures, thereby at least maintaining the original purpose of the allotted funds. The attraction of this proposition would be increased should there be no co-financing requirement attached to the funds transferred, thereby extending the precedent set by the arrangements for the proceeds of the plans for capping.

Concerns have also been raised that the commitment to agri-environment measures cultivated over many years could be undermined by the introduction of greening in Pillar 1. The lack of detail on how the interface between green direct payments and agri-environment schemes in Pillar 2 is intended to work does not help allay these fears. The raised baseline for Pillar 2 schemes could also make them less attractive to farmers, with agreement holders left questioning whether the extra imposition of particularly the EFA requirements within greening would take too much of their land out of production. As Matthews (2012) points out, reduced engagement in Pillar 2 schemes, which usually cover a more comprehensive set of environmental measures than those proposed for Pillar 1, could risk a net decline in the supply of environmental public goods, contrary to the intention of the greening proposal.

These concerns have led a number of stakeholders[5] and some Member States to argue that the derogation afforded to organic producers should be extended to those complying with the requirements of other quality assurance labels relating to sustainable production or those enrolled in agri-environment schemes. The administrative advantages of this are, however, countered by a number of other issues, particularly questions of value-for-money and additionality. In the case of private quality assurance schemes, the green direct payment would effectively double fund the public goods which have already been supported privately through conferring a marketing advantage. In the case of agri-environment schemes there is the risk that public money is used to pay for the same management twice. Additional clarity is needed on how these elements are going to interact and Matthews (2012) suggests that "the proposed exemption for organic farmers should be amended to keep a clear distinction between what is paid for in Pillar 1 and what is supported in Pillar 2". Other solutions could either temporally or spatially restrict the double-funding overlap, perhaps by extending a derogation for those in agri-environment schemes only to existing agreement holders, as a transitional measure, or by lowering the EFA requirement for those entered into schemes. Whatever way such a derogation might be contemplated, Commission oversight would be needed to ensure environmental equivalence with the Pillar 1 green-

[5] See, for example, European Landowners' Organization (2012) and National Farmers' Union of England and Wales (2012), both of which suggest consideration should be given to granting green direct payments *ipso facto* to further categories of farmers beyond the current derogations, including those who are undertaking agri-environment commitments.

ing requirements, due to the high variability of existing entry level agri-environment schemes (Keenleyside *et al*, 2011).

5. Alternative options – the opportunities and the risks

The dissenting reaction to the Commission's preferred approach to greening and calls for it to be watered down has stimulated interest in finding an alternative that guarantees additional environmental benefit. Two recent papers (Matthews, 2012 and Allen *et al*, forthcoming) have sought to categorise potential responses to the Commission's plans. Several common themes have emerged:

- Increasing the flexibility for Member States;
- The development of a 'conditional greening' approach; and
- Delivering more ambitious outcomes through more targeted agri-environment measures in Pillar 2.

The relative merits of these options are evaluated briefly in *Table 1* below. This provides a short description of the option and assesses the pros and cons of each. Two variants are explored in relation to increasing flexibility. The first would add additional measures to the three currently identified by the Commission in the form of a menu. The second would rationalise the greening approach to focus only on the EFA measure, broadening its scope in relation to the type of land covered and options available. The 'conditional greening' approach considers a variant on the proposal put forward by the European Parliament in response to the Commission's Communication on the CAP towards 2020 (European Parliament, 2011). In addition to the potential for delivering the greening proposals through a Pillar 2 approach, an additional alterative is considered, namely the expansion of cross compliance.

Tab. 1 - Comparison of alternative greening options

Possible alternative approach	Pros	Cons
Increased flexibility / targeting		
Menu of greening options: *additional measures added to the current list of three* to provide more flexibility to Member States to choose a minimum number of measures from a common but longer list. Some measures could remain compulsory. Measures could include: soil cover, nutrient, soil and carbon management plans or a strengthened focus on High Nature Value farmland.	• Allows measures to be chosen that fit specific circumstances • Broader choice could potentially address wider range of environmental and climate change objectives • Control is prior to receipt of payment	• List remains general in nature • Relative weightings between options may be required to avoid Member States choosing least-cost options • Lack of uniformity could blur dividing line with Pillar 2 schemes and result in farmers in different countries being treated differently

Possible alternative approach	Pros	Cons
Extended EFA option: whereby green direct payments would consist exclusively of a whole-farm EFA measure, covering all eligible land. Other currently proposed measures would become GAEC standards. Categories of EFA could be distinguished as follows: a) landscape features (e.g. afforested land, hedges, terraces) b) uncropped land (e.g. land left fallow) c) certain management within productive areas (e.g. soil cover; reduced inputs; improved soil organic matter; use of clover in intensive grassland; maintenance of HNV grassland). Since each category would result in differing levels of environmental benefit, the total area of EFA required at farm level would depend on the mix chosen by the farmer, with each category given a weighting.	• Streamlined approach with only 1 greening measure • Flexibility for Member States to choose eligible features or actions relevant to their specific priorities could lead to greater environmental outcomes • Rewarding positive environmental management within EFA allows farmers to maximise the environmental benefits while minimising the impact on production • Control is prior to receipt of payment	• Increased administrative complexity • Need for Commission to approve plans to ensure equal environmental commitments between Member States and compatibility with Pillar 2 schemes • Danger of increasing deadweight effect if allows easiest options to be chosen, and risk increased by extending EFA to cover semi-natural grassland
Conditional Greening		
Conditional greening approach: farmers would be required to enter into an appropriate base level agri-environment scheme in Pillar 2 in order to be eligible for receipt of their (full) Pillar 1 direct payments. As distinct to the above discussion on potentially extending the organic derogation, this would make entry into an agri-environment scheme a necessary rather than sufficient condition for greening. This may require additional funds to be available within Pillar 2 to fund the expanded coverage of AE schemes that this would entail, transferred from Pillar 1.	• Retains advantage of universal reach of greening and extends the reach of basic agri-environmental management • Minimises disruption to existing agri-environment scheme members • Uses existing control systems, so no need to develop additional Pillar 1 controls • Equivalence between Member States can be checked during existing Commission approval process	• One off increase in resources needed to amend agri-environment schemes where these are not sufficiently well developed • Could compromise purity of income forgone/additional costs calculation for agri-environment through link with Pillar 1 income support payments • Political resistance to increasing the transfer of funds to Pillar 2
Pillar 2 approach		
Funding greening purely through Pillar 2 voluntary approach by agreeing a higher proportion of the CAP budget for rural development (as part of the Multiannual Financial Framework or through continued compulsory modulation) or *increasing the flexibility* provision to make transfers from Pillar 1 to 2.	• Schemes retain multi-annual, regionally defined, menu driven, targeted and contractual nature, important for optimising environmental delivery • Facilitates cost-effective expenditure on effectively targeted and tailored schemes • Maintains clear distinction between cross compliance and Pillar 2 schemes	• Voluntary nature loses universal reach of CAP greening • Undermines Commission's objective of increasing legitimacy of Pillar 1 direct payments • Increased national co-financing requirement (unless percentage obligation reduced or exemption applied to funds transferred from Pillar 1)

Possible alternative approach	Pros	Cons
Enhanced cross compliance		
Greening merged with GAEC, with additional green elements introduced to Pillar 1 by expanding the existing list of cross-compliance conditions	• Potential for administrative simplification, obviating the need to split direct payments into separate envelopes and for there to be separate payment and control systems	• Loss of presentational advantage that greening is 'reward' rather than a 'sanction' • Increased legitimacy in eyes of public possibly also muted • Continuation of existing issues with adequate checking and enforcement • GAEC checking is ex post to receipt of payments so less of an incentive to comply
Source: Own elaboration drawing on options and analysis from Matthews (2012) and Allen et al (forthcoming)		

What is clear from this analysis is that there is no perfect alternative approach to greening the CAP, with any choice inevitably involving compromises. The amount of additional benefits delivered from the scale of investment in greening is clearly of paramount importance from an environmental perspective, however, a trade-off has to be made between environmental additionality and administrative simplicity. While it must be accepted that some increased complexity will result from a process of better targeting payments at policy objectives, such as delivering environmental public goods, a useful guiding principle should be to ensure that the level of administrative and control requirements is pitched such that it is proportionate to the amount of benefits derived.[6]

6. Conclusions

With the nature of the CAP greening that will be finally adopted still undefined, it is too early to say whether this round of reform will represent a significant shift towards a refocusing of the policy on the provision of public goods.

The recent history of the CAP has been characterised by a gradual shift in emphasis towards the more targeted, regionally defined and programmed approach of Pillar 2. However, the current proposals represent a halt to the steady growth in the importance of the rural development pillar that has been witnessed since it was created in the Agenda 2000 reform (Matthews, 2012). Whether the previous trajectory will be re-established in the future remains to be seen, but what is apparent is that the political and economic context of the post-2013 CAP debate has not been compatible with increased Member State co-financing of an expanded Pillar 2.

Given this economic reality, Commissioner Cioloș has sought an alternative means of improving EU agriculture's provision of environmental public goods. Other ways of transitioning towards a more integrated land management policy could also be possible (Hart *et al*, 2010), including conferring Pillar 1 direct payments with more of the characteristics of Pillar 2 (Buck-

[6] Such a principle was captured in a Memorandum tabled at the March 2011 Agriculture Council, supported by the majority of Member States, which noted that "An acceptable justification for increased [administrative] cost might include better targeting of funding towards the provision of public goods, or a reduction in risk to EU funds – providing these benefits exceed the costs of achieving that". (See: http://register.consilium.europa.eu/pdf/en/11/st07/st07206.en11.pdf)

well, 2011). Agri-environment schemes have a long track record and, by comparison, the Commission's generalised, broad-brush Pillar 1 greening approach is somewhat of a leap of faith. Its success will largely depend on the extent to which the ambition for greening is watered down as part of the political negotiations. The earlier discussion has identified some potential pitfalls that could render the greening plans little more than superficial 'green wash'. Combining this with a reduction in the Pillar 2 budget devoted to agri-environment measures is an outcome that would lead to a regression in environmental delivery and should be avoided at all costs. Monitoring will be critical to determining whether or not greening is working and to informed policy decisions on the future evolution of the policy.

Venturing into new territory can never be without its risks, however, and a period of experimentation with novel approaches may need to be accepted if the CAP is to evolve into a greener, leaner, more efficient policy instrument in the future.

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