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## ENVIRONMENTAL OBJECTIVES FROM CAP POST-2020 REFLECTED IN BIODIVERSITY

### ABSTRACT

The Common Agricultural Policy of the European Union, CAP 2023–2027, is very important for securing the future of agriculture and forestry, being a basic tool for achieving the objectives of the European Green Deal, the “Farm to Fork” Strategy and the Biodiversity 2030 Strategy. These objectives, also established within the CAP 2023–2027, are achieved through interventions proposed by member states, within a specific National Strategic Plan, with jointly defined result indicators, applicable in each EU member state, but taking into account specific national conditions.

At the same time, agriculture and rural areas are essential for the European Green Deal, whose objectives are transposed into the specific objectives of the National Strategic Plan (NSP). These highlight the balance between the values of environmental indicators, the environmental impact of agricultural activities and environmental and climate interventions, without them negatively affecting the food security.

According to the NSP, environmental objectives are essential in the implementation of the CAP, focusing on the contribution to the mitigation/adaptation to climate change, the promotion of sustainable development and the effective management of natural resources, as well as the contribution to the protection of biodiversity, the improvement of ecosystem services and the conservation of habitats and landscapes.

This approach highlights the positioning of biodiversity in the new rules of the CAP 2023–2027, the measures provided for the conservation and protection of biodiversity, as well as the link between biodiversity and the agri-food sector.

**Key words:** environment, financial resources, biodiversity conservation.

**JEL Classification:** O13, P18, P48, Q57.

### 1. INTRODUCTION

At the end of 2021, the agreement on the reform of the Common Agricultural Policy (CAP 2023–2027) was officially adopted by the European Parliament. CAP includes new rules for developing a fairer, greener and more performance-based common agricultural policy. These rules aim to ensure a sustainable future for European farmers, by offering better targeted support to smaller farms and greater flexibility for EU member states to adapt measures to local conditions.

The EU's Common Agricultural Policy is a basic tool for achieving the objectives of the European Green Deal, whose targets – the “Farm to Fork” Strategy and the 2030 Biodiversity Strategy – will be achieved through various instruments applied at national level. One of these instruments is the National Strategic Plan (NSP), which will implement interventions aimed at environmental and climate objectives, in the field of agriculture and rural development. These interventions are designed in such a way as to ensure the continuity of environmental protection actions, through sustainable development and efficient and sustainable management of natural resources (water, soil and air), conservation of biodiversity, improvement of ecosystem services and preservation of habitats and landscapes, reduction of greenhouse gas emissions and adaptation to the effects of climate change.

Thus, the preservation and protection of biodiversity acquires a new dimension, through the measures included in the CAP 2023–2027, to observe environmental commitments (remuneration of farmers who contribute to environmental protection above the requirements of the basic level).

## **2. STATE OF KNOWLEDGE**

Being an x-ray of the measures provided for in the CAP 2023–2027, the present paper highlights the new rules of the CAP with applicability in the area of conservation and protection of biodiversity, as well as the connection of this field with the agri-food sector.

The theoretical character of this work is revealed by a wealth of information existing in the European Green Pact, in the “Farm to Consumer” Strategy and the 2030 Biodiversity Strategy, as well as by emphasizing the measures provided for in the CAP, in order to achieve the objectives of the strategies and plans mentioned, in the field of environmental protection and biodiversity. Also, the National Strategic Plan highlights the interventions proposed to achieve specific targets and objectives, at national level.

## **3. MATERIAL AND METHODS**

The resources for this paper are public policies, strategies and reports in the field of agriculture and environmental protection, of biodiversity protection respectively: the Common Agricultural Policy of the European Union (CAP 2023–2027), the package of initiatives in the field of environmental policies aimed at placing the EU on the way to a green transition – European Green Deal, Farm to Fork Strategy, Biodiversity 2030 Strategy. In addition, specialised literature (treaties, research projects, articles/ scientific communications from established journals), sustainable development strategies, studies and analyses of renowned economic institutions, analyses, reports and unofficial studies, represented significant milestones.

Another method used in this study was the filtering, gathering and analysis of complementary information (internet, online publications).

## 4. RESULTS AND DISCUSSIONS

Concerning the environment, the Common Agricultural Policy (CAP) has three clear objectives, each of which can be found in the European Green Deal and the “Farm to Fork” strategy:

### 1. Addressing climate change

The central elements of the CAP are measures that encourage organic farming and ensure compliance with environmental standards:

- eco-conditionality standards connect the financial support to the EU rules on the environment, human, plant and animal health;
- direct ecological payments are conditional on the implementation of mandatory actions to protect the environment and combat climate change (maintenance of permanent pastures, crop diversity and areas of ecological interest);
- rural development policy, which supports investments and agricultural activities that contribute to combating climate change and sustainable management of natural resources.

### 2. Protecting natural resources

The Common Agricultural Policy ensures the responsible management of natural resources (soil, water and air), essential for agriculture and forestry, across the EU:

- supports sustainable soil management,
- protects water by ensuring compliance with EU norms and encouraging sustainable management practices,
- supports farmers in reducing emissions that can cause air pollution.

### 3. Strengthening biodiversity

The Common Agricultural Policy, correlated with the EU directives on wild fauna and flora species, provides for the protection of the ecosystem of agricultural land and biodiversity, through:

- rules on eco-conditionality, with reference both to the directives on birds and habitats, and to measures aimed at maintaining landscape features and reducing the use of pesticides;
- establishing areas of ecological interest that lead to the preservation of landscape features and fallow land, benefiting biodiversity, by facilitating pollination and protecting habitats;
- rural development policy, which encourages actions to conserve and strengthen biodiversity.

The entry into force of the CAP 2023–2027, on January 1, 2023, brought to the fore the measures required to achieve an ecological and sustainable agricultural system in the EU, highlighting the need for a simpler, more flexible and specific

approach to the consolidation of environmental conditions, of environmental protection actions and the standards that must be respected by farmers, through environmental programmes and rural development policies.

The new CAP focuses on ten key objectives with regard to social, economic (agriculture and rural areas) and environmental protection aspects, as follows:

1. **ensuring a decent income for farmers** – by supporting viable farm incomes and the resilience of the agricultural sector across the EU, to increase agricultural diversity and long-term food security, as well as to ensure the economic sustainability of agricultural production (considering the fact that farmers earn less comparable to other non-agricultural workers);
2. **developing competitiveness** – which involves strengthening market orientation and increasing farm competitiveness, including increased focus on research, technology and digitalisation (given that growing demand for food and raw materials puts pressure on the agricultural resource base of the EU);
3. **improving the position of farmers in the food chain** – through measures related to intensifying cooperation between them, increasing market transparency and ensuring effective mechanisms to combat unfair commercial practices;
4. **combating climate change** – by mitigating climate change, including reducing greenhouse gas emissions and improving carbon sequestration, as well as promoting sustainable energy;
5. **protecting the environment**, which involves promoting sustainable development and efficient management of natural resources, such as water, soil (given that soil is one of the most important natural resources) and air, including reducing dependence on chemical products. It also addresses concerns about soil health and emphasises the importance of policies that promote its protection;
6. **conservation of landscapes and biodiversity** – stopping and reversing the trend of biodiversity loss, improving ecosystem services and preserving habitats and landscapes;
7. **supporting generational renewal** – attracting and supporting young farmers and new farmers and facilitating the development of sustainable enterprises in rural areas, given that a dynamic agricultural sector needs young, skilled and innovative farmers to meet the demands of society: food quality and healthy environment;
8. **revitalising rural areas** – promoting employment, economic growth, gender equality (including women's participation in agriculture), social inclusion and local development in rural areas, as well as circular bioeconomy and sustainable forestry. In this context, the CAP plays a major role in reducing some of the pressures that unemployment and poverty put on rural areas;

9. **protecting food quality and health** – which refers to EU agriculture’s response to societal demands for food and health (including high-quality, safe and nutritious food produced in a sustainable manner), reducing food waste, as well as improving animal welfare;
10. **promoting knowledge and innovation** – which involves the modernisation of agriculture and rural areas by improving farmers’ access to research, innovation, knowledge exchange and improving training in the field of agriculture.

In the new architecture of the CAP, the member states presented their proposed interventions to achieve the specific objectives at EU level in a National CAP Strategic Plan, which combines most of the support instruments financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD).

There is a unique and coherent intervention strategy at the base of the NSP, for the 2021–2027 programming period, with precise targets, quantified by result indicators, jointly defined, but with applicability correlated with the national specificity of each member state.

The NSP 2023–2027 interventions will contribute to the achievement of national targets, taking into consideration the availability of financial resources and the complexity of implemented actions.

Through the 2023–2027 CAP, in Romania, the National Strategic Plan (NSP) includes measures to develop a resilient, sustainable and competitive agricultural sector (with an emphasis on ensuring fair incomes for farmers), compliance with environmental commitments (by remunerating farmers who contribute to the protection of the environment above the requirements of the basic level), development of deficit sectors and the balanced socio-economic development of the rural area. All these measures are grouped into a *set of general objectives*, consistent with the specific CAP objectives at EU level, as follows:

**1. Promoting a smart, resilient and diversified agricultural sector**, with a major focus on increasing the degree of resilience of holdings, which will reduce the negative impact of climate factors. Thus, farmers will be stimulated to adopt climate and environment-friendly agricultural practices, such as: improving soil quality and protection, contributing to the protection of biodiversity, maintaining and adopting extensive agricultural practices, efficient management of natural resources, protection of water resources against pollution etc.).

This objective addresses food security and farm viability increase by focusing on:

- revitalising the animal husbandry sector and stimulating the users of agricultural areas to practice sustainable livestock grazing systems – interventions will focus on supporting the plant and animal husbandry sector;
- stabilisation of farmers’ incomes and elimination of disparities between farms.

Starting from the low profitability of the agricultural sector in Romania, reflected in farmers' low incomes, compared to other economic sectors, this objective takes into consideration farmers' access to financial resources through various types of payments/subsidies, as well as to compensations granted to mitigate the value gap in subsidies compared to the European average, by continuing to grant Transitional National Aid. Farmers will be also to benefit from additional payments, in particular, for exceeding mandatory minimum requirements in terms of climate and environment.

Significant support (41% of the rural development budget) is also provided to encourage ecological practices in areas of high nature value, for example those that are important for bird and butterfly habitats.

In addition, EUR 480 million will be made available to small farms (up to 10 hectares) to motivate them to adopt practices aimed at sustainable agriculture, prevent soil degradation and improve biodiversity.

**2. Strengthening market orientation and increasing the competitiveness of the agri-food sector** by intensifying cooperation, encouraging collective investments, modernisation, restructuring of farms (through investments to improve productivity simultaneously with the development and modernisation of the food industry) – aspect that will improve the position of farmers in the value chain.

The restructuring, modernisation and development of small and medium-sized farms are essential for the specifics of Romania, in order to increase productivity. Through the NSP, investment is needed on farms that have started to develop due to capital infusions from the EAFRD (in sectors such as: vegetable and fruit farming, animal husbandry), as well as in precision agriculture, (digitalisation-innovation, essential tools for ensuring sustainability and competitiveness).

From the perspective of competitiveness, the Romanian food industry continues to have significant gaps in terms of value added of food products, an aspect revealed by the trade balance deficit.

**3. Socio-economic development of rural areas** – by attracting and supporting young people and facilitating business development, promoting and increasing employment, social inclusion and local development in rural areas.

The aging phenomenon, specific to the Romanian population, in general, is also present in agriculture, the aging of farmers being one of the factors determining the reduction of the labour force in agriculture, along with the options of many young people from rural areas to change their place of residence or to have jobs outside the agricultural sector.

In this sense, the NSP proposes an integrated approach to support generational renewal in agriculture, by granting direct payments for setting up of

young farmers and the consolidation of their farms (additional support of EUR 67 million will be redistributed to young farmers, which will be complementary to other aids granted to young farmers).

Actions for the economic diversification of rural activities (creation and development of non-agricultural businesses) are also targeted, in order to increase employment and diversify the incomes of agricultural households. They could determine the increase in the attractiveness of rural areas, the reduction of disparities between residential environments, the reduction of urban migration of young people, and implicitly, the improvement of the quality of rural life.

The “From Farm to Fork” strategy proposes objectives with a beneficial impact on environmental components and on public health by promoting the application of sustainable agricultural practices. However, these constitute a great challenge for Romania, because in order to adopt more efficient **management models from the perspective of biodiversity conservation**, given that the 2023–2027 CAP provides for compensating the beneficiaries only for the additional costs and for the loss of income incurred by them as a result of the application of methods beneficial for the environment and climate, potential beneficiaries will not be interested in accessing the respective measures, in the absence of a stimulating financial support.

As a matter of fact, support worth around EUR 1.64 billion will be given to farmers willing to implement agronomic practices that respect the environment, such as ensuring that at least 5% of their area contains non-productive landscape features (such as *e.g.* dens, groups of trees, stone formations), crop diversification or soil protection through minimum tillage, etc.

Regarding the EU target to ensure 10% of the agricultural area including high-diversity landscape features (hedges/wooded strips, tree lines, tree groups, clumps, ditches/grooves, mounds/existing mounds and terraces on agricultural land), the obligation of farmers to ensure a minimum share of at least 4% of the arable land at farm level allocated to non-productive areas or elements, the maintenance of landscape features with the ban on cutting hedges and trees, is highlighted during the breeding period of wild birds, as well as taking measures to avoid the establishment and expansion of invasive plant species on agricultural land.

The achievement of this target will be helped by the application of conditionality rules by farmers, mandatory for all beneficiaries of payments granted through EAGF and EAFRD.

On the other hand, in the conditions in which Romania has decreased, throughout the entire previous period, the use of fertilisers, positioning itself below the EU-27 reference value (46 for nitrogen, 1 for phosphorus), the reduction of the current level of chemical input use can cause the reduction of agricultural land productivity and, implicitly, food insecurity. Furthermore, although the mentioned

NSP interventions contribute to the achievement of the EU fertiliser reduction target, the conclusion would be that no fertiliser reduction measures are required.

## 5. CONCLUSIONS

Although the protection of biodiversity should be one of the major concerns of vital importance of our time, although the very existence of human civilisation depends on the protection of biodiversity, although there are agreements, strategies and policies in the field of environmental protection, of biodiversity protection and conservation, and many European countries have increased the allocated financial resources to protect biodiversity, in Romania the expenditures in this field have decreased year by year. Furthermore, although the amounts allocated to environmental protection were small (and decreasing), the amounts allocated to the protection of natural resources and biodiversity conservation were almost non-existent.

For the biodiversity conservation projects, the opportunity is quite limited, as most expenditures for the protection of biodiversity are made by non-specialised producers, while those made by the public administration are almost non-existent.

Without intending to say big words, biodiversity lives all around us, and we live through it, our present and future depend on it. The phrase “to live in harmony with nature, not only to exploit it” is truer than ever. That is why it is imperative to develop and implement appropriate policies to protect and restore biodiversity, to allocate necessary resources for the protection and conservation of nature, to restore nature’s place in our lives, so that in its turn nature can provide the resources that we need to live.

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