

## The new European Union approach to soil in the Common Agricultural Policy

The European Environmental Agency recently concluded in a report that the EU needs to adopt a consistent and coherent policy framework for soil quality to make the existing incentives and measures more effective and ultimately achieve the goals of the European Green Deal. The European Commission also announced in the Biodiversity Strategy in May 2020 the intention to update the EU Soil Strategy and build a European framework.

### Soil restoration and soil management: two priorities for two different policy instruments

The European Union decided to address soil quality from two different perspectives: **restoration of degraded soil** and **sustainable soil management practices**. However, decision autonomy left to the Member States differs when comparing the instruments chosen to pursue the two different goals.

Based on the evidence collected from the official documents of the EU, it seems likely that the **European Soil Strategy** will set a European framework for soil restoration and the **Common Agricultural Policy (CAP)** will encourage Member States to finance different sustainable soil management practices. The European Soil Strategy will be adopted in the second quarter of 2021. It will likely include a common policy framework with definition of "good" ecological status, monitoring and inventorying obligations for the Member States, and mandatory restoration targets.

#### European Soil Strategy

- Restoration of degraded soil

#### Common Agricultural Policy

- Sustainable soil management

### New Common Agricultural Policy 2023 - 2027

While it is too early to analyse and evaluate the soil strategy because the European Commission did not adopt it yet, more details are already available for the new Common Agricultural Policy (CAP) that should start in 2023. The European Commission wrote on its website that it aims to approve the CAP regulations by July 2021. The new CAP points to shift from a compliance to a performance-based policy. The **objectives** that the CAP aims to achieve and the **indicators** to

measure the attainment of the objectives will be set at EU level. Member States will design **measures and interventions** to achieve the objectives.

The European Commission proposed **9 objectives** and **38 result indicators**. Many indicators relate to an overarching objective. It is not clear if Member States have to achieve all indicators to pursue an objective or if they can achieve just some of them. Member States will have to pursue the EU objectives through specific **interventions** that they will design in their own national **CAP Strategic Plans**.

### 9 CAP objectives

- Support viable farm income and resilience across the Union to enhance food security;
- Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation;
- Improve the farmers' position in the value chain;
- Contribute to climate change mitigation and adaptation, as well as sustainable energy;
- Foster sustainable development and efficient management of natural resources such as water, soil and air;
- Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;
- Attract young farmers and facilitate business development in rural areas;
- Promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;
- Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare.

Member States should design their **interventions** based on the **result indicators** of the CAP. The result indicator related to soil and proposed by the Council in the new CAP is “share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management”. The indicator may change during the **negotiations**.

It is important to highlight that **none** of the 9 CAP objectives exclusively relates to soil. The objective “foster sustainable development and efficient management of natural resources such as water, soil and air” does not ensure that Member States will have to design dedicated **interventions** for water, for soil and for air. Some Member States could decide to design interventions that address only water and air. Moreover, it is very likely that the types of **interventions** in favour of soil will vary a lot across Member States because the result indicator does not specify what **soil management commitment** is beneficial. Member States can decide it on their own.

### National CAP Strategic plans

Member States can design **interventions** under two main pillars: Pillar 1 – Direct Payments and Pillar 2 – Rural Development. The table below summarises the types of **interventions** that can be designed under each pillar.

#### Pillar 1 - Direct Payments

- Decoupled direct payments
- The basic income support for sustainability;
- The complementary redistributive income support for sustainability;
- The complementary income support for young farmers;
- The schemes for the climate and the environment.
- Coupled direct payments shall be the following:
  - The coupled income support;
  - The crop-specific payment for cotton.

#### Pillar 2 - Rural Development

- Environmental, climate and other management commitments;
- Natural or other area-specific constraints;
- Area-specific disadvantages resulting from certain mandatory requirements;
- Investments;
- Installation of young farmers and rural business start-up;
- Risk management tools;
- Cooperation;
- Knowledge exchange and information.

All the **intervention** can pursue any of the 9 objectives of the CAP; except the **eco-schemes**. Eco-schemes can only pursue **climate-related objectives**.

The European Commission will guide Member States in the designing and drafting of their CAP Strategic Plans and interventions.

## Compost and digestate will enable the attainment of CAP objectives

The European Compost Network warmly recommends the European Commission to acknowledge the important environmental and climate **benefits that regular applications of quality compost and digestate to soil generate**, and to encourage Member States to valorise available recycled materials, reduce the use of chemical fertilisers and close the biological cycle in respect of the principles of the circular economy. This will help Member States to achieve the CAP objectives:

1. Contribute to climate change mitigation and adaptation, as well as sustainable energy.
2. Foster sustainable development and efficient management of natural resources such as water, soil and air.
3. Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes.

## Further policy options

There are two other elements that are worth mentioning in this analysis of the next EU policy framework on soil. The European Commission announced in the **Biodiversity Strategy** and the **Farm to Fork Strategy** that it will encourage the Member States to set national targets to reduce nutrient losses and the use of fertilisers by 2030. To this end the European Commission will assess the nutrient load reductions needed for each Member State and will work with them to adopt **Integrated Nutrient Management Action Plans**.

The European Compost Network hopes that these plans will reflect the important contribution that quality compost and digestate offers to prevent nutrient leakage, reduce the use of chemical fertilisers and close the biological cycle. The European Commission also announced in the Farm to Fork Strategy that it will adopt a legislative proposal for a **legislative framework for a sustainable food system in 2023**. The European Compost Network recommends the European Commission to set obligations or other instruments that would penalize retailers selling business as usual food and reward those selling nutritious organic food grown on quality compost.