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EurEau position paper on the revision of the Common Agricultural Policy (CAP)

Proposal for a Regulation establishing rules on support for strategic plans to be drawn up by Member States under the Common Agricultural Policy (CAP Strategic Plans) and financed by the EAGF and by the EAFRD

Summary

Water and agriculture are intrinsically linked. It is therefore of the utmost importance that the new CAP protects the quality and quantity of water resources through an effective conditionality mechanism.

The European Commission's CAP proposal contains a number of elements that could contribute to more sustainable agricultural practices. However, its provisions and requirements need strengthening in order to deliver tangible results.

Farmers should not receive financial support for practices which are in conflict with EU water legislation goals. Results and output indicators must be explicitly linked to compliance with EU environmental legislation.

The Farm Sustainability Tool for Nutrients could become a powerful tool provided it is well designed and its recommendations are effectively implemented. The eco-schemes must remain compulsory. The protection of water resources is paramount and a substantial national budget must be attached to it. The European Rural Development Programme should ensure that funding is provided for much needed cooperation projects between farmers and water suppliers.

Rue du Luxembourg 47-51, 1050 Brussels, Belgium
00 3 (0)2 7064080 - secretariat@eureau.org – www.eureau.org

1. Introduction

Water is essential for life. It is a valuable resource and must be protected from pollution. Agriculture impacts negatively on both the quality and quantity of water resources and consequently on the availability of water that can be used for human consumption without the necessary treatment to comply with the regulatory framework.

Agriculture is also essential for life. Without a safe, secure and affordable supply of food, society will not function. And without a reliable, controllable and high quality source of water, agriculture is not sustainable.

Water and agriculture are intrinsically linked and both sectors operate with direct benefits to and impacts on each other. Proper farming practices can reduce the movement of sediment from land to water, resulting in cleaner sources of drinking water that require less treatment. Catchment practices can slow down the overall flow of water, benefitting downstream water abstractors and the environment; and solid waste from water treatment can, in some Member States, provide a nutrient-rich soil additive for use by farmers.

However, the intensive use of anthropogenic substances such as nitrates, pesticides and veterinary medicines, including their metabolites, is increasingly having a negative impact on the quality of drinking water resources. There is evidence that these substances appear in the water cycle and reach resources designated for drinking water abstraction, potentially affecting the ability of water utilities to meet regulatory quality standards for safe drinking water without end-of-pipe treatment.

This position paper focuses on the proposal for a Regulation on the CAP Strategic Plans (2018/0216), one of the three legislative proposals for the future of the Common Agriculture Policy (CAP).

2. CAP must implement the Control at Source Principle

EU legislation is built on the Precautionary Principle, on the Control at Source Principle (meaning the prevention of pollution) and on the Polluter Pays Principle[1]. We strongly believe that the goals of the CAP should be consistent with these principles and comply with EU water legislation so as to protect our water resources.

Even though the CAP is a financial instrument and not a policy instrument, we need to make sure that the agriculture sector does **not receive support for practices which conflict with the goals of EU water legislation** such as the Water Framework Directive (WFD) and its Daughter Directives (Groundwater Directive, Priority Substances Directive) as well as the Nitrates Directive.

It is unacceptable that many water suppliers had to or may have to implement expensive extra treatment to remove nitrate, pesticides and residues from veterinary medicines from drinking water resources, while the farmers at the source of this pollution benefit from CAP funding. Such a situation replaces the Polluter Pays Principle by a new

[1] Art. 191(2) of the Treaty on the Functioning of the European Union.

principle; we call it the 'Water Consumer Pays Principle' as ultimately, water users pay for these additional treatments through their water bill. This must be avoided.

3. The Conditionality mechanism must be strengthened

The conditionality mechanism must be coherent and consistent with the portfolio of EU legislation addressing the water–agriculture nexus, namely the:

- Common Agricultural Policy
- Nitrates Directive
- Drinking Water Directive
- Water Framework Directive and its Daughter Directives
- Plant Protection Products Regulation
- Framework for the Sustainable use of Pesticides
- Veterinary Medicinal Products Directive and Regulation.

is extensive but needs review and proper implementation at Member State level to tackle the impact of agriculture on drinking water resources. With this in mind, EurEau supports the conditionality mechanism, but calls for its widening, strengthening, proper implementation and effective control by the Commission.

Issues

- While the **impact indicators I.13-I.17 of Annex I** are a good starting point**, the result and output indicators** fall short of requiring compliance with the existing targets of the EU's environmental legislation. Rather, they are defined as a mere counting exercise of farms taking certain measures.
- EurEau supports the explicit **reference in Annex III to the Water Framework Directive (and its Daughter Directives), the Plant Protection Products Regulation and the Framework for the Sustainable Use of Pesticides and the Nitrates Directive**. It is however unacceptable that crucial articles of these Acts were excluded from the references and, hence, from the scope of the conditionality mechanism.
- EurEau cannot accept the argument that the provisions of certain articles were left out of the legislative proposal because they could not be addressed and implemented by the individual farmer. For example, if the Farm Sustainability Tool for Nutrients, as proposed in Article 12, is really effective, a **clear link can be established between the agricultural practices and the nitrate concentration in drinking water resources**.

4. Farm Sustainability Tool for Nutrients: a tool with potential for better protection of water resources

EurEau fully supports the development and compulsory application by farmers of the Farm Sustainability Tool for Nutrients as outlined in Article 12 and Annex III. If it contains all the relevant elements for sustainable and environmentally viable and

compatible agricultural practices and is compliant with the relevant EU legislation, it could become a powerful tool to limit nitrate emissions to the water cycle. It could create true win-win situations for the water–agriculture nexus.

Issues

- The Conditionality Principles outlined in **Annex III only require the use of the Farm Sustainability Tool for Nutrients**. We regret that there is no obligation whatsoever to implement and use its results and recommendations in farming.
- The elements and functionalities of the Farm Sustainability Tool for Nutrients are described in a footnote of Annex III, while Article 12 empowers the Commission to adopt delegated acts on the format and additional minimum elements and functionalities of the tool. EurEau **strongly supports setting detailed requirements at EU level** to provide a sound and valid framework for the development of the national tools.
- In order to **foster the uptake and impact** of the use of the Farm Sustainability Tool for Nutrients**, it should play an integral part in farm advisory services** as mentioned in Article 13.
- If implemented correctly, the tool could **reduce administrative burdens**. If the nutrient balance of a farm is correctly implemented and the groundwater and surface water measurements show acceptable nitrate concentrations, the frequency of soil and water monitoring to demonstrate compliance can be reduced.

5. Eco-schemes: impact will depend on ambition and implementation in the Member States.

Article 28 of the CAP proposal introduces the obligation for Member States to set up **eco-schemes** as part of the first pillar, as an alternative to the current 'greening measures'. This means that Member States have to set up possible environmental and climate measures that farmers can implement in order to receive extra income support.

Issues

- **The introduction of 'eco-schemes' should be mandatory and taken seriously by the Member States. The set of eco-scheme measures should be** attractive for farmers and give effective environmental protection.
- **Sufficient financing for the eco-schemes should be reserved** within the total amount of the national allocations for direct payments.
- The eco-scheme measures should contain approaches to **improve the quality and the quantity of water resources.**

6. European Rural Development Programme (ERDP)

Over the years, the ERDP substantially contributed to the sustainable development of rural areas with a focus on the environment. Even though the Commission proposed that the ERDP will remain also the future CAP, **the impact of the future ERDP is unfortunately not clear.**

Issues

- Under the current CAP, the water sector in many Member States works closely together with farmers in Rural Development projects. Even though the strict EU rules for these cooperation projects are not always helpful, these projects have achieved very promising results in helping Member States to reach the EU water legislation goals. We therefore regret that, according to the Commission's MFF proposal, the **ERDP will receive much less funding than under the current CAP**.
- Moreover, to compensate the cut in EU co-financing, the Commission **proposes different EU co-financing percentages, which make it less interesting to set up ERDP projects.** The proposed 80% co-financing for environmental and climate projects from the ERDP sounds promising in theory**, but is necessary to compensate for the reduced ERDP impact due to the lower budget.** Moreover, if the Commission will lower its own co-financing share for ERDP projects at the same time, public authorities will be forced to increase their co-financing shares. It is highly uncertain if public authorities will be able and/or willing to do so.
- Currently, a number of **water operators in many EU Member States are already paying for voluntary cooperation projects with farmers** to better protect water resources for drinking water production against the negative impacts of certain agricultural practices. **Article 71 provides the possibility for such cooperation projects under the future ERDP**. Unfortunately, not all Member States are aware of this possibility. This situation must change.
- Any **'double funding' needs to be avoided**. Famers receive funding based on the national implementation of the Nitrates Directive. These payments have to be taken into account when granting funding with reference to the CAP.

7. More information

Other EurEau policy positions cover in more detail the range of issues where water and agriculture overlap. The position papers are available on the EurEau website.

About EurEau

EurEau is the voice of Europe's water sector. We represent drinking and waste water service providers from 29 countries in Europe, from both the private and the public sectors.

Our members are the national associations of water services in Europe. At EurEau, we bring national water professionals together to agree European water industry positions regarding the management of water quality, resource efficiency and access to water for Europe's citizens and businesses. The EurEau secretariat is based in Brussels, from where we coordinate the work of around 200 experts from member organisations and utilities and advocate common positions with EU decision makers.

Our members are fully committed to the continuous supply of clean water and its safe return into the water cycle. We have a role in raising awareness of threats to the water environment. With a direct employment of around 476,000 people, the European water sector makes a significant contribution to the European economy.