A (SUSTAINABLE) CAP AFTER BREXIT AND THE PARIS AGREEMENT.
VIEWS FROM ROMANIA

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Abstract: The CAP is up for a review of the 2014-2020 policy regime as people are preparing for the next ‘reform’. One of the reasons why the debate is important now on the CAP after 2020 is that the challenges facing agriculture after 2020 have evolved since the last 2013 reform. In 2016, two major political events affected the debate. The Paris Agreement on climate change set ambitious climate goals, which might be difficult to accommodate with industrial farming; while Brexit triggered implications for structural funds, food and agriculture in the UK and the rest of the EU. That had an impact upon the Multiannual Financial Framework as the major contributors talked about a reduction of the EU funds allocated to CAP while the net beneficiaries from Central and Eastern Europe strongly oppose a reduction of funds allocated to their countries. Romania is also opposing this reduction but having the Presidency of the Council of the EU needs to act like an “honest broker” and thus find that golden middle way.

Key words: CAP; Romania’s Presidency; sustainability; climate changes

INTRODUCTION

Given the complexity of Brexit and the negotiations for the next Multi-annual Financial Framework, it is yet difficult to make assumptions on the budget impact and its implications for the future of the CAP budget. The debate is also influenced by the Commission’s Communication on the future of food and farming. There will be a need to support simplification and modernisation and, in the long run, a radical new delivery mechanism, defining a set of specific criteria for the distribution of the budget. [7]

As a researchers we must also stress that all this needs also to reflect the agreement and commitments on climate actions from the COOP in Paris. Thus a new model that measures performance could provide the right incentives for Romania to come up with ambitious sustainability. [8]

When we talk about the need to prepare CAP for the future we must also take into consideration how it fits with the UN’s Sustainable Development Goals (SDGs), which set out a wide range of objectives with a target date of 2030 and where adopted by the EU Member States. They may serve as a blueprint for the CAP reform as the “Commission should indicate which of 169 SDG targets are relevant to European agriculture and food and adapt them to the European context with quantified goals for 2030”. [1]

As we review the ongoing documentation this became even clearer for us as the latest documents for the EU Commission stressed the of sustainability from farm to fork and the SDGs as the way forward toward this objective as a alining the agriculture with the SGDs would generate higher incomes and better resilience to climate changes. This will have a direct impact on Romania as the “Member States’ national plans will have to reflect the strong sustainability principles embedded in the CAP objectives”. [9]
The challenges that the climate change would bring to the region are important, in my opinion, to say the least. Even though the number of studies dedicated to the change climate projections and expected impacts on agriculture in Romania’s case are yet to be sufficiently relevant a series of studies addressing these topics were done as regards the region of the Western Balkans, which due to the geographical proximity can also be used to address the Romanian case. Thus we can expect, like the countries in the region issues such as more longer and frequent heat waves, a decrease of the annual average precipitations, climate-related hazards like floods and storms. [3]

These have also determined the creation of a new approach – the so-called “Climate Smart Agriculture (CSA)”. A 2009 concept that has since been reshaped several times the CSA “aims to provide globally applicable principles managing agriculture for food security under climate change that could provide a basis for policy support and recommendations by multilateral organizations, such as UN’s FAO.” [5]

For Romania the new CAP is also a matter of money as the negotiations for the Multiannual Financial Framework are under way with results that still need to be fully addressed in order not to lose money or receive more difficult conditions in acceding the Community ressources. Thus climate change is also a conditionality / risk that needs tp be tackle by the national authorities. Other than capping large farm subsidies another risk is that “the conditionality related to climate change have also the potential to generate considerable challenge for Romania”. For reducing the risks and costs the authorities must therefore prepare in terms of legislation, financial programming or procedures for this new environment while taking active measure for an EU wide approach. [2]

Given the above mentioned issues in this author opinion we will deal in the future with a period of great challenges that would fundamentally affect the way we deal with the agricultural policy. We must therefore forced ourselves to act locally why thinking globally. That means a greater implication in all the EU debates regarding the future of CAP while having also in mind the necessary connections with the worldwide changes.

MATERIALS AND METHODS

When talking about CAP reform in the new context we must first of all understand the fact, that in my professional opinion, it is an inevitability. The historical context of the CAP as well as the shifting tendencies within the European society have shown that this “reformist” path is unavoidable and we cannot escape. Without entering into sophisticated argumentations on why CAP is going to change, we can simply say that understanding CAP reforms can be done more easily by using a an instrument such as critical discourse analysis. Discourses have the tendencies of disguising “particular ideas as interests of all”. A review of the ongoing official statements show us a series of particular discourses influencing CAP such as: 1) “the protectionist discourse”, with typical ideas and concepts such as “food security”, “viable production”, that legitimize the preference for domestic production, used by agricultural lobby groups; 2) “the neoliberal discourse”, with ideas such as “competitiveness”, “simplification”, used in relation with the world trade, used by those interested in trade and investment and finally, 3) the discourse of interest for us “the multifunctional discourse”, with ideas such as “food quality”, “environmental sustainability”, “rural development”, used by actors such as environmental NGO’s. [8]

The present paper does not intend to be an exhaustive work dedicated to the complex research field that addressed the question of CAP in relations with the Paris Climate Agreements but instead it intends to serve as a brief reminder as well as a starting point for future researches in the area. For that purpose, the methods used are the qualitative ones as the authors intends to have an overview of relevant materials addressing
this question from a national point of view while providing enough references for future developments in similar researches. Thus the paper focuses on the officially agreed documents and official declarations starting from the premises of ‘good faith’ of the officials and experts tackling this issue.

**RESEARCH RESULTS**

First of all when we talk about climate change and agriculture we must start from the international obligations. What is thus a fact is that we are a signing member of the Paris Agreement as Romania ratified the Paris Agreement on June 1, 2017, at the UN headquarters in New York. This is similar with the EU stance we as a whole agree to take an active part in the EU efforts in combating climate change, committing unilaterally to reduce, by 2020, at Community level, the emissions of greenhouse gases by 20 % from the level recorded in 1990. [15]

What does it mean? In a nutshell this is an international obligation that Romania has accepted on a voluntary basis and has become a relevant part of the national rules and regulations. In our line of activity that means that no agricultural policy we are a part of cannot, since that moment, ignore the targets assumed and the sector must do its part in order to comply with the set standards and regulations, For better or for worse Romania must fill in its duties as regards tackling climate change.

This was an already upcoming trend that could have been foreseen if we analyse the strategical documents which regulated the rural development. For instance the National Rural Development Programme 2014 – 2020 included distinctively the Adaptation to climate change effects which spoke about a gloomy future marked by an increase of annual average temperatures as well as of the frequency of extreme weather events (droughts, floods, etc.). The solutions seem to be tactical ones and involve above all a series of costs that needs to be taken into consideration: “require the setting-up, expansion and/or modernization of efficient irrigation installations, promotion of new agricultural management practices and technologies managing the increasing phenomenon regarding pests and diseases attacks, adoption of risk management measures, (…)” [16] This document is thus a fine example on way in which climate change and the measures to fight it are being included into national strategic plans and regulations.

This national document cannot be understood unless we take into consideration the EU wide challenges that climate change brought to CAP. We have assisted year by year to a continuous evolution of the CAP as it focused more and more on the environment and climate, often ahead of time if we compare these EU evolutions to the pace of change in many Central and Eastern European Member States, Romania included. The results are more than obvious: “since 1990, for example, there has been a 23% reduction in agricultural non-CO² greenhouse gas emissions, while the level of EU organic farming across the EU has risen by 5.5% every year for the last ten years.” [10]

We have seen the birth at EU level of a series of instruments meant to promote more sustainability in the agricultural sector. For instance we can mention:

a) **cross – compliance rules** – since 2005 farmers only receive financial support from the CAP if they meet specific environmental requirements and obligations, such as statutory management requirements and good agricultural and environmental conditions [11].

b) **greening measures** - direct payments (up for 30% of EU countries direct payment budgets) to farmers can also be topped up with additional sums in exchange for so-called ‘greening’ measures [12].
This trend would be continued in the next EU long-term budget 2021 – 2027 as the European Commission in line with the Paris Agreement had set upon itself and the Member States a very ambitious goal - climate mainstreaming across all EU programmes, with a target of 25% of EU expenditure contributing to climate objectives. [13] That being said it meant that any future negotiation on CAP budget and national scenarios must have this number in mind.

Why is this possible? This trend is possible due to the high public support. All too often when making analysis on the future of CAP we tend to ignore the impact of the public opinion, which may be a methodological mistake as most of the envisaged changes either failed or succeed or are being pushed too by the public attitude toward it. The “critical discourse analysis” mentioned aforesaid in this document can provide us with the tools to understand why even though we may say that we need more time, the public pressure and the dominating narrative would force us to adapt. We can postpone but we cannot ignore the public opinion and the changes its requires in our day to day activity.

I feel thus compelled to mention that, following a December 2017 research about the CAP, 61% of respondents believe that the CAP benefits all citizens and not just farmers while 62% of respondents say that “providing safe, healthy and good quality food” should be the top priority for the EU’s CAP. Coming back to the question of sustainability we must mention that at least half of all respondents in 24 of 28 EU countries agree that the CAP is fulfilling its role in protecting the environment and tackling climate challenges. [14]

It deserves thus a special mention the constant references towards the European experts and officials call “the new green architecture” as the new legislative proposals for the CAP cover both pillars and have three components: “i) the enhanced conditionality (Articles 11 and 12); ii) the eco-scheme (Article 28); and iii) the agri-environment, climate scheme and other management commitments (Pillar II measure, Article 65)” (see Table 1). [4]

This new green architecture can provide an extremely useful tool for the national planning. Romania has yet retained the advantages of biodiversity and it may be use it to be a frontrunner in EU as regards this type of policy. We start from a solid basis of ecological sound agriculture and the lack of industrial farming on a large scale and the fragmentation of the rural properties may be the competitive edge we so badly need in a future agriculture based on organic farming and digitalisation.

### Table 1.

<table>
<thead>
<tr>
<th>Scheme: for the climate and the environment - Eco-schemes (Art 28)</th>
<th>Environment, climate and other management commitments (Art 65)</th>
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<tbody>
<tr>
<td><strong>Funded by Pillar I (annual, not co-funded)</strong></td>
<td>Funded by Pillar II (multi-annual, co-funded)</td>
</tr>
<tr>
<td>Payments to genuine farmers</td>
<td>Payments to farmers and other beneficiaries</td>
</tr>
<tr>
<td>Payment per ha eligible to direct payment</td>
<td>Payment per ha (not necessarily eligible to direct payments)/animal</td>
</tr>
<tr>
<td>Annual (or possibly multiannual) and non-contractual commitments</td>
<td>Multiannual (5 to 7 years or more) and contractual commitments</td>
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Calculation of the premium:
- Compensation for cost incurred/income foregone or incentive payment: top-up of basic income support (amount to be fixed and justified by MS)
- Baseline = conditionality + national legislation + area management
- Payments may support collective and result-based approaches
- Possibility for MS to combine both: a Eco-scheme set as "Entry-level scheme" condition for Pillar II payment for management commitment 0 Or possibility to set a two-tier scheme: e.g. use Pillar II management commitments to support cost of conversion into organic farming and the Eco-scheme to maintain in organic

Source: Jongeneel, R.A. 2018 [16]

Having said this, given the scope of this paper, we need to return to the ongoing Romanian Presidency of the Council of the European Union whics under its Pillar 1: “Europe of convergence” aims to bring a contribution to ensuring convergence and
cohesion in Europe by taking forward the negotiation process on the 2021-2027 Multiannual Financial Framework, and thus debating the CAP future. [17]

These priorities can be seen in the Presidency Programme as Romania wants during its term to:

- implementing the Paris Agreement – a pathway to economic growth with low carbon emissions by **outlining a shared EU vision on a long-term strategy** to encourage climate change actions and a sustainable transformation of the economy
- implementing the 2030 Agenda for sustainable development and strengthening the environmental dimension of sustainable development, etc. [18]

**CONCLUSIONS**

At the end of the day we can thus identify a series of key lines as regards the attitude toward climate change and the impact of sustainability on the future of CAP. We can identify a series of financial constraints that would be in effect as well as an even more conscious attitude of the Romanian authorities as regards this topic. The situation is still fluid but one thing is sure. The effect of climate change on the financial and operations provisions of the CAP is here to stay and we need to recon with it in order to have a better forecasting of the changes to come.

Also as a matter of fact we need to address the question of sustainability and of tackling the effects of the climate change not only from a purely financial / conditionalities point of view – how much money we risk loosing / paying – but also from a practical point of view. If the climate change is becoming a game changing force then we must be prepare as a country for a new climate where the past results would no longer apply and we would need to learn new “tricks” in order to ensure the stability of the agricultural domain and the food security of our countrymen.

Romania needs to take all these into considerations as it draws up its negotiating position. Maybe we can focus more on the post-2027 budget than on the current one while preparing our agricultural system to focus on the challenges of the future. We may think to use funds for the digitalisation of the agriculture and for implementing stricter environment standards that would reduce the gas emissions and provide better products.

**REFERENCES**


