Integrating biodiversity in CAP reform

What strategy for change in the face of powerful status quo players?

Findings of the expert workshop

held on 14-15 November 2012

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Summary

This is an account of the meeting co-organised by IDDRI and EFNCP on "*Integrating biodiversity in CAP reform: what strategy for change in the face of powerful status quo players?*" on 14-15 November 2012 in Brussels. It outlines its main findings.

The need for the workshop is based on the perception that such an integration has not emerged in the present CAP and is unlikely to do so in the next version, currently under discussion. In particular, for as long as the urgent need to address the needs of high nature value (HNV) farming systems is unrecognised, but replaced by vague objectives on "ecosystem services", there is no hope of targeting efficient policy instruments at this goal.

The organisers' belief, set out at the start of the two days, is that a dominant narrative has in the past and is still being used to hamper any progress towards not only biodiversity but also other environmental and social objectives. This narrative sets up an opposition between biodiversity conservation (alongside other environmental objectives) and related options for changes in agricultural practices on the one hand with the need to feed the world on the other. It influences the design and justification of the CAP and, more generally, of other related and influential EU policies such as research and innovation. One aspiration for the workshop was that it would design an alternative coherent narrative, able to satisfy both relevant international concerns with coherent biodiversity conservation within Europe.

The workshop also addressed how the evolution – transformation, indeed - of different types of agrarian systems across Europe (through intensification, specialisation and concentration) impacts on biodiversity. It highlighted the importance of counteracting such trends if biodiversity is to be conserved, and the crucial role played by some agrarian systems whose characteristics appear to be necessary for biodiversity conservation (and especially of those systems relying on semi-natural vegetation) .

While the discussions reaffirmed the key necessity of maintaining HNV agrarian systems — their loss in the coming decades would be irreplaceable — it also emphasised the need to have biodiversity requirements for the whole range of EU agrarian systems, including the intensive ones. For the latter, a combination of semi-natural vegetation land use and agro-ecology practices together provide the essential core of any suite of desirable characteristics.

Maintaining or re-introducing such characteristics in the context of a trend towards production growth would seem to be a major challenge, partly addressed by the promises of agro-ecological innovations (i.e. producing more but through a more complex agro-ecosystem). Nonetheless, the "necessity" to produce more in the EU (taken as read in the dominant narrative) can still be questioned.

Another key finding was the necessity of fostering innovation in extensive areas (maintaining the characteristics that are useful, for instance for biodiversity, while enabling them to continue evolving and transforming), thus affirming a radical change from the current "innovate for sustainability in harmful farming systems while paying for the maintenance of extensive endangered agrarian systems" vision. Changes and biodiversity are needed equally for all EU agrarian systems and are essential if extensive systems are not to be further marginalised or if the cost of maintaining them is not to rise yet further.

The workshop then addressed what policies are needed if biodiversity integration is to be achieved. Radical changes for the CAP were identified, starting from the need to give a clear priority to HNV systems. But other EU policies were also discussed, including those which shape the economic development of the food chain (policies on hygiene, genetic resources rules, etc.), environmental policies (with possible contradictory signals between energy and

biodiversity policies) and research and innovation policy. The need for a holistic approach was clear.

The final discussions addressed the strategic perspectives for biodiversity actors wishing to promote better integration of biodiversity and agricultural policies. Short term strategies include constant assessment (monitoring impacts, evaluating policies) to reveal the negative impacts of the CAP and of mainstream agricultural development on biodiversity, undermining the dominant "green-washing" narrative where environmental objectives are often restricted to reducing greenhouse gas emissions, with wider evaluation of the environmental performance of policies and actions often being avoided.

The discussions also addressed the fundamental position of environmental NGOs in future discussions about agricultural policies in Europe: should they continue to play a collaborative role in the CAP reform process, defending the existence of such a policy in order to make it significantly better? Or should they rather assume that the CAP cannot be reformed and that another environmental policy, based on a new logical foundation, should be promoted in its stead? The pros and cons of both options were discussed.

To address a longer term perspective, there is a need to design multifunctional scenarios of the evolution of Europe's various agrarian systems, taking into account trends and as well as policies and encompassing both biodiversity and socio-economic perspectives. Cross-fertilisation between the agro-ecology and high nature value farming outlooks appeared to offer a promising starting point for such an enterprise.

Context, goals and proceedings of the workshop

This document is an account of the meeting co-organised by IDDRI and EFNCP on "*Integrating biodiversity in CAP reform: what strategy for change in the face of powerful status quo players?*" on 14-15 November 2012 in Brussels. The common ground of the discussion was:

— there is a need not only to make the CAP "greener" — e.g. to introduce some new specific mechanisms for the environment — but genuinely to address biodiversity objectives through more profound policy changes.

— from this perspective, the CAP reform process for 2014-2020 is already a missed opportunity for biodiversity conservation: at present, the proposed rules attached to 'greening' payments in the First Pillar are weak, and are likely to be weakened even further in the remaining negotiations, while the Second Pillar fails to address explicitly either HNV farming per se or the real priorities for biodiversity conservation, and is anyway likely to see its budget being reduced.

The starting point of the discussions was therefore an admission of strategic failure thus far on the part of NGOs and other institutions striving for biodiversity conservation, and that despite some of the early signals coming from major EU actors at the beginning of the current CAP reform being promising. Given the scale of the failure, it seems clear that those who still want to fight for a CAP which integrates biodiversity needs should adopt a new strategy.

In the workshop, the question of what this new strategy could be was addressed in a medium-term perspective, rising above the minutiae of specific negotiation issues in the present CAP reform process. Given this mid- to long-term view, the discussions explicitly avoided producing outputs which might be described as 'operational'.

This document summarises the findings of the discussions on the following issues:

1. What alternative narrative can be proposed which links biodiversity conservation and international concerns, considering that the current dominant narrative considerably weakens the objective of biodiversity conservation by using internationally-orientated arguments (viz., feeding the planet is not compatible with maintaining extensive systems)?

2. What EU agrarian systems benefit biodiversity?

3. What EU policies are needed for biodiversity conservation?

4. What then are the strategic options for biodiversity defenders in the medium term?

An alternative narrative on the international scale and in the European context for an agriculture conserving biodiversity?

The discussion, based on the paper prepared by Sarah Lumbroso and Viviane Gravey for the workshop (Lumbroso & Gravey, 2012), explored the weaknesses of the existing dominant narrative and the possibilities of building an alternative coherent narrative. The paper sets out some relevant conceptual frameworks within which this can be done.

The first step is the analysis of the recent changes in the dominant narrative, intended to adapt it to deal with recent criticisms and therefore to strengthen its internal coherence and its consistency with other policy concerns.

The discussions suggest that it is important to design an explicit strategy to challenge the dominant narrative:

1. Explicitly expose the problems and challenge the weak points of the "business as usual" scenario and of the new narrative of "sustainable intensification"
2. Show that there is (at very least) a sound and attractive alternative pathway for the development of agricultural systems in Europe, which might provide a substitute positive narrative
3. Show that the alternative is doable (Is the narrative coherent? Could it be shown to be even cheaper than the current dominant scenario; could it represent better value for money?...)
4. Develop a communication strategy to gain support for the alternative narrative (rhetoric is important: images, positive symbols, ... but there are also important strategic questions, e.g. whether deliberately to differentiate the words used or intentionally to keep and possibly take over the current ambiguous formulations)

Discussions at the workshop mainly focussed on the three first points; the fourth (communication strategy, campaigning strategies) is important if the efficiency of working and capacities of the NGOs present at the workshop is to be improved, but could not be properly addressed during the meeting.

The main result of the discussion about the dominant narrative is to acknowledge that it has changed and adapted to recent criticisms: it is no longer focussing solely on the necessity for European agriculture to increase its production to feed the world, an objective which would necessitate accepting the likely negative impacts on environmental objectives in Europe. The new dominant narrative, under the general heading "sustainable intensification", takes a more complex approach to linking European agriculture to food security in the rest of the world. It can be summarised as having the following main characteristics. (For each of these characteristics, the workshop identified the most critical weak points in this dominant narrative. They are presented in italics for each of the main aspects of the narrative.)

- **Producing more** is still at the heart of the dominant narrative, with two justifications:
    - European capacities to export food are presented as a crucial element of food security for southern Mediterranean countries (and some other current or future net importers); the narrative remains nevertheless silent on the impact of competition of European food exports on agricultural development in importing countries (even if the targets are not specifically sub- Saharan African countries, this question of competition remains);
        - *Critical perspective: The dominant narrative has integrated the fact that increasing the global availability of food does not in itself improve food security in food-insecure countries. But it still does not sufficiently take into account that food wastage (in the north as well as in the South) might be the best place to start improving national food supply and demand balances. It also still understates the impact of competition with European food exports on smallholder farmers in importing Mediterranean countries.*
    - increasing production per hectare is considered a source of competitiveness with respect to other current or potential food exporters.
- When it comes to international trade rules, the dominant narrative generally advocates **protection against unfair competition,** justified by the higher environmental costs in Europe (which does not prevent the same players calling for strict WTO compliance when pleading the case for European exports);

        - *Critical perspective: There is a contradiction between the support to European exports and the protection of EU production from competition on the EU market from emerging countries exports that is sometimes advocated and compliance with WTO rules.*
- In the framework of the economic crisis, the dominant narrative demands changes in agricultural policies in order to **improve the competitiveness** of the agricultural sector, the logic being that **growth in production means growth in economic profitability which would result in employment and jobs** (in the agri-food sector). For fragile agricultural systems and to guard against the impact of price volatility, the use of **safety nets and insurance systems** are advocated.
        - *Critical perspective: Looking at competitiveness without including externalities is problematic because it assumes that other economic actors are going to continue bearing the costs of the environmental externalities, reducing the risks to the economic viability of agricultural systems which are degrading their own resource base and the ecosystems on which they rely.*
          The assumption that growth in agricultural output leads to economic growth might be challenged, depending on the type of product. The assumption that growth leads to jobs in the agri-food sector can also be challenged, based on past trends. The dominant narrative does not take into account jobs from extensive farming, nor from environmental advisory services.
          The consistency of the reform proposed can also be challenged - while it partially advocates public intervention through financial support and deregulation, it does not address explicitly commodity speculation.
          Overall gains in growth and jobs often hide very acute distributional issues: who would benefit and who could pay the costs (including the external costs) of sustainable intensification? It seems very plausible that agri-ibusiness, downstream economic actors in the supply chain, and already-rich farmers would benefit most, while poorer farmers are not supported.
          Insurance schemes, as a side effect, slow or prevent the development of more diversified agricultural systems, since they reduce the costs of not poor risk management and resilience.
- As a consequence, the biggest change advocated in the reform of agricultural policies is a **reduction in the administrative burden and the costs of environmental compliance** - a perspective of pure trade-off between the reduction of environmental degradation and the economic profitability of the sector (using the level of yields as a general proxy).
        - *Criticial perspective: The consistency of the reform proposed can also be challenged - while it partially advocates public intervention through financial support and deregulation, it does not address explicitly commodity speculation.*
          Overall gains in growth and jobs often hide very acute distributional issues: who would benefit and who could pay the costs (including external costs) of sustainable intensification?
- The only environmental issue that is explicitly dealt with in the dominant "**sustainable intensification**" narrative is that of greenhouse gas emissions: agricultural policy reform is supposed to favour mitigation through **"carbon efficient" intensification**, and

adaptation through the improvement of **water efficiency** and the encouragement of **economies of scale**. **Increasing the productivity of each hectare or each animal** (which is often what is meant by intensification) is believed to reduce greenhouse gas emissions per kilogramme of biomass produced (which still would have to be proven, depending on the type of agricultural practices implemented). Sustainable intensification is also supposed to increase agricultural output while stabilising or reducing the level of artificial inputs like fertilisers or pesticides (through precision agriculture), therefore reducing the impacts on water quality.

- *Critical perspective: Sustainable intensification, understood to mean increasing the output/input ratio of agriculture relative to all types of inputs (energy, water, pesticides, fertilisers...), could nevertheless have important impacts in terms of greenhouse gas emissions or water quality, because of the rebound effect (producing so much more that the total environmental impact increases despite emissions per unit of product being lower). The efficiency metaphor does not take into account the fact that flows of carbon, nitrogen and phosphorus in agricultural ecosystems, and in soils, for instance, are linked to agricultural practices and not just to agricultural inputs. It does not take into account the diversity of systems from intensive to intermediary and extensive systems, for which adaptation to and mitigation of climate change does not necessarily rely on intensification.*
  The dominant narrative also presents agrifuels (biofuels, biomass…) as a solution to mitigation in the energy sector, but recent expertise analysis shows that the mitigation potential of not only the first, but even the second generation of agrifuels can be thoroughly questioned.
  No link is made to the Water Framework Directive.

- The narrative of "sustainable intensification" does not address the current role of agricultural practices in the continuing degradation of biodiversity. The main rationale involves the counterfactual assumption that an increase in European crop production would reduce the need for increasing production in other parts of the world, therefore reducing global pressure on biodiversity through a **global land sparing strategy**.
  - *Critical perspective: The narrative completely ignores the role played by semi natural vegetation for biodiversity in Europe.*
    It does not take explicit account of irreversible environmental degradation.
    There is no biodiversity monitoring, and no evaluation of the cost of ecosystems services degradation (floods, pollution...).
    Support to agriculture as per the dominant narrative could be described as subsidies that are harmful to biodiversity.
    The land sparing assumption has been shown by many recent studies to be theoretically flawed and to rely on very little experimental evidence: an increase in production in Europe does not necessarily deter other regions of the world from increasing their production at the costs of deforestation; by the same token, if European production were not to increase, the production of agricultural exporters might have more room to increase, but there is no reason to deduce that there would be a net increase in costs for biodiversity, given the previous impact of increasing EU production on the environment.

- The narrative of "sustainable intensification" is embedded in an **innovation paradigm** that can be related to Europe's **resource efficiency strategy** and to the **Knowledge Based Bio-Economy** research and innovation agenda. It could be one way of implementing a European Innovation Partnership.
    - *Critical perspective: The innovation paradigm of sustainable intensification still relies very much on a linear top-down approach to innovation, while it is recognised (see for example the International Assessment of Agricultural Knowledge, Science and Technology for Development, but also EU reports on the Agricultural Knowledge and Innovation System) that research, innovation, development and extension have to be re-designed as a much more inter-related system where farmers also are innovators if the different environmental challenges are to be faced effectively. It is also very focussed on technological innovations, whereas organisational and social processes and innovations will play a key role, not only in improving the environmental or social effects of the agricultural systems, but even in ensuring its profitability.*

Based on such a critique of the "sustainable intensification" narrative, the workshop developed a positive alternative narrative, reframing the object of public policy development in two interrelated directions and developing a vision for agricultural policy as both a sustainable food and a sustainable land use policy.

At the heart of this alternative narrative is the idea that the sustainable development of the European food sector will be ensured by a public policy that gives incentives for all actors at the scale of the food chain and at a regional level to seek their competitiveness and their economic profitability from pioneering changes in processes and practices that can improve radically the environmental and social sustainability of the whole sector and of the use it makes of land and ecosystems. In the general competition among potential agricultural exporters, such a strategy should be more anticipatory and resilient than one based on simply entering the global race for increasing production. It would produce more added-value through sustainability along the whole food chain (higher quality value, radical reduction in inputs costs), rather than relying on producing more primary biomass production in order to cover the increasing costs of inputs.

A sustainable land use policy relies on making the best use of natural resources and ecosystems in the different regions of Europe by adapting agricultural systems and practices to these ecological characteristics through a sustainable land use policy, which implies re-orientating the pathways of transformation/modernisation of agricultural systems in order to contain negative environmental (and also social) external factors that would otherwise have to be paid for by other economic actors.

For a given ecosystem or resource, the idea is therefore not only to increase the efficiency of the use (which is possible even while at the same time continuing to overexploit it), but to control or lower the total level of pressure on this ecosystem. This would be an incentive to develop pathways of innovation for change in agricultural systems towards more environmental sustainability and more resilience.

It is different also from a strategy that encourages each region to specialise according to its comparative advantage, as diversity is also one of the crucial features of sustainable land use, and social issues as well as employment must also be taken into account.

Such a narrative also relies on innovation: it envisages an evolution of food supply chains and agricultural systems in particular. Technological, organisational and social innovations are seen as crucially inter-related; innovative agricultural systems are always to be seeking the highest level of efficiency, including in terms of biodiversity.

In terms of trade balance, this narrative relies firstly on a reduction of imports and of dependence on other regions of the world, particularly by animal production systems. Exports in terms of volume are not a priority, as competitiveness is sought in terms of value at the scale of the whole food supply chain.

High Nature Value farming plays a key role in such a narrative, and extensive animal production systems or practices are important to preserve biodiversity through semi-natural vegetation, and also in order to lower the level on which animal production relies on the use of crop-based feeds. But in this narrative, HNV farming and innovative systems are also evolving, although they remain under a certain level of intensification in order to preserve biodiversity.

In order for that to be possible, the narrative has to include ways to levelling the playing field for these systems, including by reducing the pressure exerted on all animal production systems by imported feed from North and South America; the reduction of protein dependency on these regions is a very important aspect of the overall logic.

This new narrative responds to the "sustainable intensification" narrative as follows:

- Europe can feed itself with more extensive farming
    - Food security is about stability: more resilient agriculture and ecosystems are good for European food security. Increasing production is not a necessity.
    - Not producing more does not mean stopping production.
- Reduced or stabilised exports can have a positive impact on development and food security in least developed countries
    - Ensuring enough production to guarantee the possibility of exports in case of a lack of food availability in southern Mediterranean countries is possible without increasing European production. Reducing waste is one of the options to ensure that. In addition, not aiming at for a situation in which Europe permanently exports to countries where many smallholder farmers still have to earn their living from agricultural production might be a better way to ensure that those farmers are able to access food and increase their incomes.
- Reducing feed imports is good for biodiversity in Europe and in South America.
- Low input systems are good for biodiversity and efficient in their use of natural resources.
    - Greenhouse gas efficiency is ensured in this alternative narrative not through an increase of the productivity of each hectare of land or of each animal, but through better soil carbon sequestration, and also reduced N_2O emissions from fertilisers.
- Reduced imports of feed and less dependence on external fertilisers (e.g. phosphorus) and on the energy needed to produce N fertilisers, leads to increased autonomy and therefore to economic and environmental resilience.
- Increased diversification of agricultural systems, the consequence of the intended changes, would also increase resilience and adaptation to economic shocks or climate variability.

Such a narrative would necessitate the following policy changes:

- Payments to agriculture would have to be better targeted, in order better to justify public support (in times of crises, what is the best use of taxpayers' money?), which is currently targeted in a way that supports big agro-industries.
- Direct payments have to be capped, and public money redistributed on social/rural development and environmental grounds.
- Incentives for cereals would be lowered (as they already benefit from increases in global market prices), as would also all incentives towards intensification.
- Direct supports to HNV systems are possible under WTO regulations, to some extent, as they do not export (only systems that do not benefit from international markets would be helped). Agri-environmental measures would also be used to incentivise changes towards agro-ecological systems.
- The policy should also encompass a sustainable food policy at the level of the whole food supply chain: change consumption patterns, reduce waste; policies at the level of the supply chain are necessary to stop the forces that push towards intensification, but possible policy measures still need to be identified (environmental labelling initiatives…).
- The policy should also encompass research and innovation, but focussing innovation on agro-ecology and on achieving the intended social, organisational, and technical changes in food systems.
- Some policy measures are also very important to avoid current irreversibilities that prevent diversification: for instance, some seed regulations restrict agro-biodiversity.

In social and economic terms, the intended policy changes would mean:

- Less public money spent than today in total (and less than the business as usual baseline scenario), but more on supporting HNV farming,
- Creating jobs at various territorial scales, not only in agricultural and environmental advisory services, but also in collecting, processing and retailing industries.
- More equitable distribution of public subsidies among the economic actors of the sector.

There are a number of unknowns:

- What assessments of such a narrative have to be completed? How could the level of employment in such an alternative narrative be assessed (fewer jobs in the input industries, but more in advisory services, etc...)?
- How should the distributional effects of such a scenario be assessed? Who would contribute and who would benefit from the financial transfers linked to the internalisation of externalities and from the redistribution of public support among farmers?
- Given this, being able to compare the costs of the alternative scenario and those of "sustainable intensification" narrative necessitates also a more accurate assessment of the cost of the latter. Evaluating the cost to biodiversity might still seem difficult and uncertain, but the costs of water treatment are quite well-known and would seem to provide a first basis for evaluation.
- What would be the impact of a reduction in the protein deficit of Europe? Although it seems a necessary condition, it is probably not sufficient in itself to ensure that the degradation of semi-natural vegetation ceases. How can we ensure that the consequences don't include the expansion of (e.g.) rapeseed for agrifuels and feed, or other scenarios that would result in a reduction in semi-natural vegetation?

- How to design a balanced policy mix in order to reduce the incentive to intensify and to achieve some redistribution/retargeting of public support? Should it include some market regulation? What else? High commodity prices..?
- What are the policy instruments which would act on the downstream side of the supply chain, where the main drivers for change (towards intensification or standardisation, for instance) are located?
- What is a pathway of change for extensive production systems? What does it mean in practice to enable their transformation and evolution while ensuring that they do not intensify to an extent that would damage biodiversity? How do we describe that 'innovation pathway'?

What EU agrarian systems are needed for biodiversity?

Asserting the need to conserve HNV agrarian systems

The idea that conserving biodiversity means conserving semi-natural vegetation at landscape level is obvious for many actors in the world of NGOs and nature conservation institutions. It was indeed one of the basic assumptions of the workshop. It underlies the concept of High Nature Value farming, and can be supported by an agrarian system analysis (see Poux 2012). The issue then is not only to conserve semi-natural vegetation as patches in a wider landscape, with no links with its agrarian and ecological environment, but to consider the systems that use and manage semi-natural vegetation.

While this idea seems evident, there is frequently blurring, both as regards the acknowledgement of the centrality of semi-natural vegetation and of that of the holistic agrarian approach. For the dominant actors, the future of biodiversity lies rather in the development of environmentally friendly systems able to sustain a high level of production. Theirs is broadly a project of sustainable/ecological intensification, whose aim is to foster the use of some auxiliaries in order to produce more with less input.

This vision is consistent with the dominant narrative as outlined above and attracts most of the research and development effort. It has been shown to be problematic, as it does not say anything about the future of biodiversity in the existing extensive areas. It could quite logically lead to as apparently desirable future where this ecological intensification takes place in (cropped) productive areas and while the former extensive areas are afforested with no room for semi-natural vegetation.

This vision was criticised in the workshop not only on the basis that it would lead to a major biodiversity loss (ecological intensification does not replace and is not equivalent to the high species and genes pool associated with HNV), but would create problems in terms of sustainable land-use, considering all the categories of such land-use in Europe. As long as we assume that Europe, including marginal lands, is a populated area, the afforestation of existing HNV areas is not a desirable option, but in any case, there is no alternative to this goal if one wants to conserve biodiversity at a European scale. The core objective of maintaining HNV agrarian systems was re-emphasised by the workshop.

A dynamic understanding of the conservation of agrarian systems

Nevertheless, while this overall goal was stressed, the discussion also emphasised that the vision for HNV agrarian systems was not, as it is often parodied or perhaps thought by some, that of "putting them in a museum". Conservation of biodiversity does not mean freezing landscapes or extensive permanent pastures. HNV agrarian systems will change and the challenge for the future is to combine intensification in some places and change in production (envisaging not only extensive grazing perhaps) with the maintenance of a high share of semi-natural vegetation. This challenge has a particular meaning for those countries of central and eastern Europe (and beyond) that combine the highest natural values of the whole continent with the highest probability of change towards both intensification and land abandonment.

Including currently-intensive agrarian systems in biodiversity goals

If conserving existing HNV agrarian systems is the short term priority, it cannot be achieved in isolation, regardless of developments in other agrarian systems. Understanding and taking account of this is key for two main reasons:

1. As shown in the preparatory document (Poux 2012), HNV agrarian systems are competing with the most intensive ones for market access. Thus it is not economically sustainable to focus on biodiversity conservation on HNV systems only, while the others still take the largest market share. HNV agrarian systems should also be important players in the market for agricultural products, even looking beyond what is often seen as their usual niche in the current market, that of small volume quality products.
2. There is also some social demand, which must be addressed, for biodiversity conservation — and for more generally resource-efficient farming — in intensive areas. Supporting this makes for wider ecological coherence (e.g. corridors at the EU scale).

Biodiversity conservation goals must therefore also involve addressing intensive systems, as a necessary complement to the conservation of HNV agrarian systems. Achieving biodiversity goals in intensive areas appears to be a coherent way to regulate an even access to markets for the whole range of European agrarian systems. Three options were discussed:

A. **Developing agro-ecology in productive areas**, bringing functional biodiversity through auxiliaries in agro-ecosystems (pollination, pest control and nutrient cycles). Agro-ecology is preferable to ecological intensification since the latter seems too ambiguous a concept, able to encompass rather intensive practices. Agro-ecology sits on stronger foundations as regards ecosystem services and the use of less inputs on an absolute basis. This is a long term project.
B. **Introducing semi-natural vegetation into conventional intensive agrarian systems**. This is the concept behind ecological focus areas (EFA), as proposed for the 'greening' payments of the CAP. But achieving both ecological and economic/market goals requires going further than what is currently proposed in terms of both the extent and quality of EFA.
C. **Combining the two above**: key findings in the discussion included
    - that agro-ecology does not need semi-natural vegetation in itself, leaving sectors of biodiversity unaddressed (for example: what room is there for grassland butterflies and associated species in an agro-ecosystem designed for crop production?);
    - but SNV is consistent with agro-ecology and could even bring some resilience in agro-ecosystems.

    Combining the benefits of the both options seemed therefore to be the preferable approach.

A medium term timetable

The agenda for biodiversity conservation in EU agrarian systems has different time frames:

- conserving existing HNV systems (i.e. conserving biodiversity-friendly development patterns) is the absolute short-term priority, as losses in this domain could not be compensated by improvements in intensive systems;

- while option C is preferable in intensive agrarian systems, the question has been raised as to how to achieve it. In this regard, option B (but noting that it would go far beyond what is

presently proposed) was nevertheless identified as the easiest route by which to implement some change in the short term, given that the development of agro-ecology would take some time. The challenge is to develop both A and B so that one does not hamper the other.

What EU policies for biodiversity?

The starting point: make extensive systems more viable (Beaufoy's pyramid)

Following on from these findings, a clear policy priority is to give more economic viability to extensive farming systems (farming systems that conserve a significant share of extensive land use). This general objective entails a number of subsidiary policy objectives and instruments, as proposed in the following figure by Guy Beaufoy.

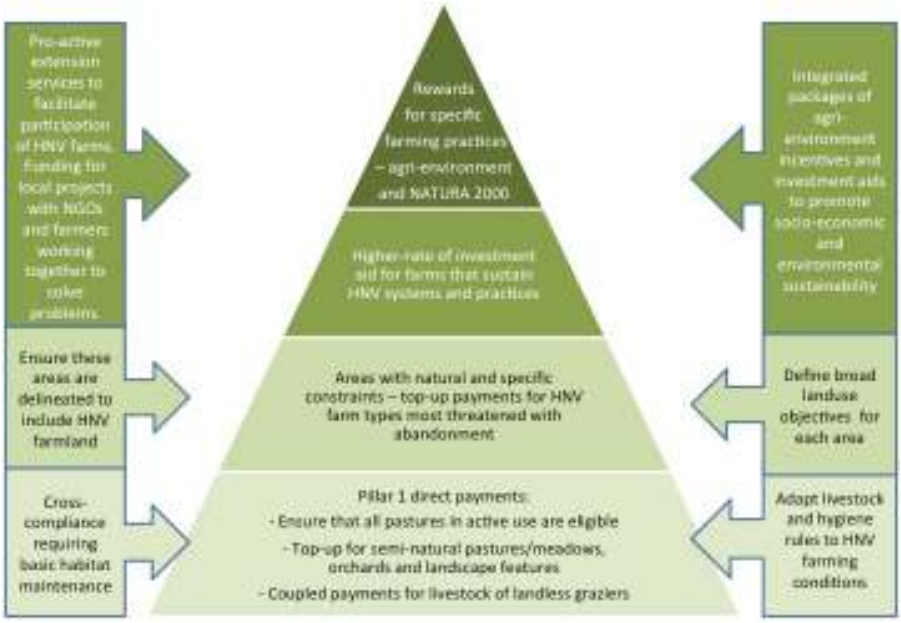

Figure 1: schematic presentation of a policy structure for supporting HNV farming (from Beaufoy *et al.* 2012).

The overall rationale of this pyramid is both to give access to payments to the whole range of HNV agrarian systems (the base of the pyramid) and to concentrate the payments to reflect both the nature value of practices and the risks of land abandonment (top of the pyramid). It should be noted that this approach demands Pillar 1 or income-support payments that provide for the simple economic sustainability of farming systems. In the real world, such payments need both to be administratively easy for marginal farmers to access and set at a sufficiently high level.

Increase the biodiversity of intensive systems

The analysis above also calls for a complementary set of policies targeted on intensive areas/systems. For the reasons outlined, there is a need to address specifically increasing the share of SNV in intensive areas (option B above). Agri-environmental measures appear

suitable for such a goal, but specifying particular measures is not the issues - the *design* of measures[1] and support is extremely important.

Pillar 1 type payments, since they create a rent — on capital and land — should be phased out, all the more so because the conditions attached to them are poorly designed. Income support (clearly desirable in extensive areas, but also elsewhere) should be attached to labour and not to land/capital. The eligibility rules for supported farmers have been identified as an issue needing improvement.

Another objective, alongside the development of SNV in intensive areas, is the re-introduction of extensive grazing livestock into areas currently dominated by crops. This could be achieved through adapted new entrant and investment in holdings measures.

Think outside the CAP?

It was agreed that there is a need for some policy instruments and approaches which are in principle compatible with the present CAP architecture. Indeed, the proposals set out above mobilise existing instruments: income supports, AEM, setting-up and investment schemes.

But at the same time, even if the nature of the instruments is unchanged, the conditions attached to them, the nature and magnitude of the financial flows between systems (intensive/extensive) and the support on the ground need to be completely reshaped. This raises the question of which is the better policy approach:

(1) keep the principle of a Common Agricultural Policy, but change it radically, which has proved difficult in the past and seems to be almost impossible at present;

(2) change the nature of the policy, possibly by restarting from an environmental European policy — this should be able to address the maintenance of extensive farming systems without mummifying them.

The pros and cons of each option were discussed, with no clear conclusion on which approach is the most desirable (see also the conclusion of this document). It was in any case apparent that institutional factors need to be considered; for example, option (2) requires administrative and support skills from the environmental authorities, which are clearly not available everywhere at present.

Nevertheless, a clear conclusion was that the CAP was not, by any means, the only policy that needs to be addressed. For example, while the requirements for CAP (or CAP-like) instruments that are needed to achieve option B are clear, developing agro-ecology (option A) does not depend primarily on payments, but much more on innovation, the principle being that agro-ecological practices reduce the dependency on inputs and hence operational costs.

Other relevant EU policies

Many other policies influence biodiversity integration. Three broad categories of such policies have been discussed:

a) Policies that have an overall economic impact on the development of EU farming systems by providing a regulatory framework: (i) seed and genetic resources rules (DG Sanco); (ii) competition rules in the supply chain; (iii) hygiene; (iv) territorial planning (e.g. rules affecting the distribution of slaughter houses - they need to stay in HNV areas); (v) trade agreements; and (vi) food policies. Such policies might have an indirect but structural impact

[1] With genuine focus on SNV and not on ecologically poor landscape features that, for example, could be eligible in green payments.

on biodiversity management. In their present form they all militate to a greater or lesser extent against the maintenance of HNV farming systems.

b) Environmental policies: (i) Natura 2000, which simultaneously provides a strong legitimacy for biodiversity conservation and sometimes views promoting HNV farming as a competing policy, (ii) energy policies, with many potentially negative impacts on semi-natural vegetation management (e.g. large scale solar plant projects in Greece, biofuels and methane plants).

c) Research and innovation policies. These policies were identified as being of huge strategic importance, since they set the conceptual framework for the others and appear at least to be more open to change. While the development of agro-ecology in intensive areas (option A) is already part of the research and innovation agenda and backed by institutions (e.g. UN special rapporteur on the right to food), the workshop made it clear that the need for innovation in extensive farming systems should be a clearer priority. To repeat, the issue is to design development paths which link the conservation of semi-natural vegetation, certain patterns of production and adapted market organisations – essential if the risk of mummifying HNV systems is to be avoided.

Strategic perspectives for biodiversity integration in the CAP

Two time frames have been identified in order to achieve the goals discussed above (narrative / setting the objectives / influencing the policies).

In the short term: strengthening the critique of the "business as usual" CAP

The existing CAP and the one that is emerging from negotiations (as of late 2012) pretend to address biodiversity conservation, which is presented as a major issue for society and policy. A first strategic goal is therefore to have to hand an evaluation and critique of the existing policies (as the EEA does, with possible links to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services). Several levels of evaluations can be undertaken:

- Show the magnitude and consequence of biodiversity loss in terms of ecosystem services (*sensu lato*);
- Show and explain the irreversibility of some economic (slaughter houses, rural services) and policy processes (eligible land, entitlements) and the need to maintain infrastructure for HNV farming;
- Show and explain how policies work on the ground and how they may create difficulties for biodiversity conservation.

The targets of such evaluations are not the agricultural institutions themselves, not least since it is they who bear the main responsibility for watering down even the recent weak policy proposals. Rather indirect targets, able to influence those institutions, should be targeted: media (campaigning), institutions concerned with rural development more than specific agricultural sectors, Ministries of the Environment (with support from DG Environment). Financial institutions could also be a target. Generally speaking, there is a need to understand better the new institutional context emerging from both the new decision-making process on the CAP (the involvement of the European Parliament) and the presence at the table of the newest Member States.

In terms of content, the focus of the evaluations/campaigns should not be the CAP, but rather the things where its impacts are felt:

- Nature and landscape in first place (certainly for as long as the main asset of environmental NGOs remains the scientific and popular backing for biodiversity conservation; it is (more) difficult for agricultural institutions to pretend to protect biodiversity if environmental NGOs do not validate their approach). Land use and land abandonment are closely linked issues in this respect.
- Health (use of pesticides, quality of products), agricultural employment, power of large firms, use of public money are also related themes that should be played on.

Biodiversity would appear to be a good overarching entry point from which to initiate a coherent criticism of the dominant agricultural development paradigm and policy. Semi-natural vegetation should be central throughout.

Another approach is to promote the good stories we have in terms of biodiversity rich farming systems, addressing the issue of how to upscale them.

"Smash the CAP" or play the game?

With regards to the CAP debate, two strategies were identified in the short to medium term. The first one is the continuation of the present game, with both criticism and the proactive proposing of improvements, sitting at the table, feeding the debates and lobbying. Environmental NGOs are now part of the institutional landscape and the agricultural commitology in Brussels and in Europe. The alternative strategy is to "smash the CAP", regarding it as impossible to reform and focussing instead on what might be a better option - a new common environmental policy that could address agriculture amongst its goals, but with a new freshness.

The following table summarises the pros and cons of each option as discussed during the workshop:

Keep playing the game: stay in the CAP process, support the principle of a CAP with the hope that it can be improved (and that no CAP would be worse)	**A new policy: get rid of the CAP, a fresher new environmental policy**
+ (pros) Keep the capacity to play with rural development money and ensuring there is still some / keep good relationship on the ground with farmers and advisory services and NGOs. Agri-environmental money is the stake. => co-construction	+ (pros) The CAP is the problem: the system is locked in, it cannot be more of the same, we have to acknowledge the failure, a new policy is necessary. => Confrontational splitting, somebody needs to launch the debate Use of "*crédit de déception*" (="you promised so much and gave so little that you owe us big time now that we've found you out!"
- (cons) Stay locked in a system. CAP money will decrease while market forces will increase, thus playing the CAP is in itself less and less efficient. Support something that is not credible and doesn't	- (cons) Risks: …of a negative message (image) / Environmental NGOs isolated (who else can support the message?), … of being excluded from Brussels

work Risk not to have a stick against policy makers, only a carrot (co-construction of a policy).	discussions, … on relationships on the ground with farmers and advisory services and NGOs. Needs of new funders. Uncertainty about citizens' support for more environmental policies.

Despite being apparently contradictory, it was discussed whether those two options could not be played simultaneously, which in practice would mean investigating the "new policy", whose contours are still vague at the moment while still engaging with the CAP debates. A challenge is to analyse how having environmental objectives as the entry point is able to address the economic needs of HNV agrarian systems (scaling up N2000 payments, for example, would be a deficient approach unable to provide for the development of and innovation in such systems).

Targeting biodiversity in a wider context in the longer term. 1: mapping the actors

Addressing biodiversity conservation from an innovative point of view is a global project, which encompasses the whole range of agrarian systems in Europe. This entails including actors from the whole system, the overall strategy being to multiply success stories so that altogether they form a coherent alternative to conventional/productionist farming.

In order to achieve this long term goal, several actors have been mapped as potential partners:

- Some farmers, in the first instance. While some farmers' unions and large co-operatives have been identified as major blockers for biodiversity integration, other networks of farmers should be considered as partners. As for environmental NGOs, key questions emerged during the workshop: *how do we get the farmers we care about to militate for change? Who are they? Who are the good/bad? To what extent is our proposal relevant to them?*

- While the input suppliers appeared to be beyond redemption, their interests being fundamentally contradictory with those of biodiversity conservation, other actors in the agri-food chain could be potential partners in building up common reference frames: Organic Farmers (IFOAM), International Organisation for Biological and Integrated Control of Noxious Animals and Plants on the upstream side of the chain, and retailers on the downstream side (e.g. Tesco's *Greener Living* programme).

- In the same order of ideas, consumers' associations, water companies and slow food organisations are potential partners. Leader+ Local Action Groups and some rural tourism associations could also value the landscape dimension of biodiversity conservation.

As for the actors listed above, the issue is not to build on completely convergent projects but to recognise and articulate the issues better. Notably, from a biodiversity conservation point of view, the issue is to acknowledge the role of semi-natural vegetation and landscape features and to make them central indicators, beyond the vague promises of "biodiversity" based on no tangible habitat. This being said, it appeared clear that the design of consistent multifunctional projects would require a significant amount of knowledge, time and human means.

Targeting biodiversity in a wider context in the long term. 2: agro-ecology

The last category of actors named are those already involved in the field of agro-ecology. This paradigm is becoming more consistent and proposes a coherent and holistic approach similar to the one developed during the workshop. It indeed articulates an international

dimension consistent with the narrative presented above; its agronomic paradigm also strongly echoes biodiversity conservation while it promotes low-input farming systems and use of local resources.

However, as agro-ecology, after Olivier de Schutter's recent call, introduces itself as the main alternative paradigm, it appeared paramount that the way it addresses biodiversity recognises the *central* role and benefits of semi-natural vegetation and extensive livestock. Learning from the experience of the ecological intensification debate, research and innovation efforts in agro-ecology should not only focus (i) on crop production issues (ii) in productive areas. The issue of better land-use and production at EU level (how should meat/milk be produced? at what level?) should be central to the agro-ecology research agenda, implying an input from both social and natural sciences. This idea should be defended in different arenas; the Consultative Group on International Agricultural Research and the EEA have been identified as institutions which could potentially take this forward.

Building scenarios combining plausible/desirable images of biodiversity and agriculture in the future, and explaining the crossroads and policy conditions for an innovative approach of biodiversity conservation, have been identified as the first steps towards making this future happen. If all the partners mapped above cannot be directly involved in this vast exercise, one should keep in mind that the main concerns on which they focus (for example, food production, food consumption, land use and, of course, biodiversity) should all be considered together. Biodiversity conservation requires multi-functional thinking.