

Towards an operational framework for farm sustainability assessment and payment allocation under the CAP

Introduction

European Common Agricultural Policy (CAP) moved from production to income support and protecting the environment (e.g. AEMs). Global challenges (ecological, social, economic) requires a fundamental overhaul of the CAP to a **holistic, consistent, efficient** and **fair** mechanism rooted in sustainability².

Methods

- Literature review and expert interviews: Identify SATs, develop direct payment framework.
- Qualitative classification, rating and comparison: Rate SATs and assessment framework variants.

Results

- Total of 66 SATs identified (brackets = # tools):
 - Most common goal of supply chain management (32) in international context (26)
 - Majority (26) covered 2 sustainability dimensions; 2 tools covered all dimensions (SAFA and SMART)
 - Main use (28) of semi-quantitative (ordinal-scaled) indicators
 - Several tools (e.g. SMART, RISE, COSA) show promise for assessments, but require development (Fig. 1)
- Using selected criteria (Tab. 1), a sustainability direct payment framework was developed by interviewed experts (Fig. 2)

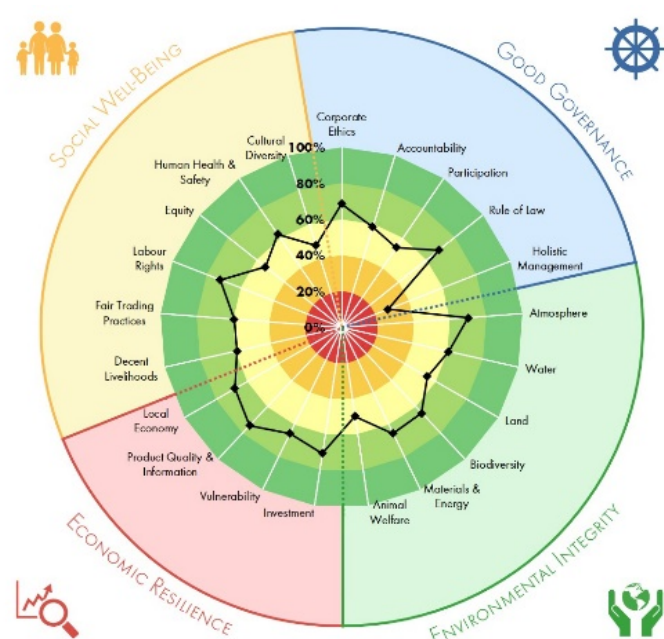


Figure 1: Example of results from a SMART assessment in terms of goal achievement across 21 sustainability themes

Objectives

1. Classify farm Sustainability Assessment Tools (SATs; incl. certifications and regulatory checks) by the SAFA sustainability framework³
2. Assess the potential to harmonize SATs to agripolitical goals and regulatory control mechanisms
3. Propose an SAT-based evaluation framework to distribute direct payments

Criteria	Aim	Practical implications
Effectiveness	With a core assessment tool and monitoring process, on-farm change is detected and valued (e.g. point system)	High data availability/quality (integrate new technological developments); precise, sensitive indicator set
Efficiency	Monitoring time is conserved, farmers achieve have flexibility in achieving goals	Small key indicator set; two component system: basic requirements (i.e. regulatory standards) and flexible payments (i.e. points-based bonus system)
Transaction costs	Current effort and cost of monitoring (e.g. verifying AEMs) is maintained or reduced	Multi-functioning tool, replace current controlling mechanisms (e.g. integrate)
Farmer/public acceptance	Farmer seen as "sustainability entrepreneurs"; public money provides public goals	Multi-functioning tool, replace current controlling mechanisms (e.g. integrate)

Table 1: Selection criteria for farm-sustainability direct payment scheme (from expert interviews).

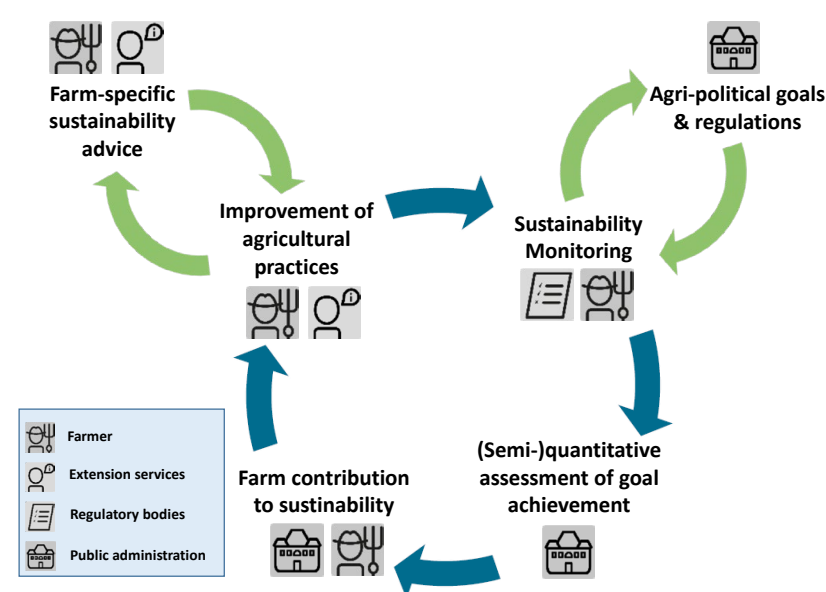


Figure 2: Proposed evaluation scheme developed in a participatory workshop with project members and experts.

Conclusions

- The building blocks for a SAT to guide the distribution of direct payments are present but require further development to harmonize with regulations and to fit within an appropriate assessment framework.
- This would place farm assessments alongside consultation extension services and reward farms with both existing achievements and future improvements according to a sustainability management plan.

References

1. van Zanten, B. T. et al.. 2014. European agricultural landscapes, common agricultural policy and ecosystem services: a review. *Agronomy for Sustainable Development* 34:309–325.
2. Schader, C., et al. Towards a new public goods payment model for remunerating farmers under the CAP Post-2020. Research Institute of Organic Agriculture (FiBL) Siwtzelrand and the International Federation of Organic Agriculture Movements (IFOAM) EU Group, Frick.
3. FAO. 2013. Sustainability Assessment of Food and Agriculture Systems (SAFA) Guidelines, Vers. 3. Food and Agricultural Organization (FAO), Rome.