



Multiannual financial framework 2021-2027 and CAP financing



Civil Dialogue Group – CAP
13 October 2020

Multiannual financial framework 2021-2027

Overview

2 May 2018

2 December 2019

20-21 February 2020

27 May 2020

17-21 July 2020

...

By 31 December 2020

By 31 December 2020

- Commission proposal on MFF 2021-2027
- “MFF negotiating box” **with figures**
- European Council – MFF debate
- Amended Commission proposal on MFF 2021-2027
- **European Council conclusions - MFF & Next Generation EU**
- **Consent of European Parliament**
- **Ratification by national parliaments of Own Resources Decision**
- **Adoption of Council Regulation on MFF 2021-2027**

CAP funding 2021-2027

		2018 prices	Current prices								
		EUR billion	EUR billion	Change to:							
				2020*7		2014-2020		2018 COM proposal		2020 COM proposal	
				EUR billion	%	EUR billion	%	EUR billion	%	EUR billion	%
TOTAL CAP *		343,9	386,7	+ 4,3	+ 1,1%	+ 6,1	+ 1,6%	+ 21,7	+ 6,0%	- 4,7	- 1,2%

* including EAFRD funding under Next Generation EU

CAP funding – Breakdown

EUR billion; current prices

	2021	2022	2023	2024	2025	2026	2027	TOTAL
Direct payments	38,10	38,36	38,50	38,61	38,72	38,82	38,93	270,04
Market related expenditure	3,10	3,12	3,15	3,17	3,20	3,22	3,25	22,20
<i>Total needs</i>	<i>41,20</i>	<i>41,49</i>	<i>41,65</i>	<i>41,78</i>	<i>41,91</i>	<i>42,04</i>	<i>42,18</i>	<i>292,25</i>
<i>Assigned revenue</i>	<i>0,28</i>	<i>0,23</i>	<i>0,13</i>	<i>0,13</i>	<i>0,13</i>	<i>0,13</i>	<i>0,13</i>	<i>1,16</i>
EAGF	40,92	41,26	41,52	41,65	41,78	41,91	42,05	291,09
EAFRD (MFF)	14,79	12,11	12,11	12,11	12,11	12,11	12,11	87,44
EAFRD (NGEU)		4,06	4,14					8,20
EAFRD	14,79	16,17	16,25	12,11	12,11	12,11	12,11	95,64
CAP	55,71	57,42	57,77	53,76	53,89	54,02	54,16	386,73

EAFRD

«Core» MFF

- Allocation = EUR 87.4 billion
- Includes « special allocations »
 - 15 MS: BE, DE, IE, EL, ES, FR, HR, IT, CY, MT, AT, PT, SI, SK, FI
 - EUR 6 billion
- Yearly profile = COM 2020 proposal i.e. frontloading in 2021

Next Generation EU

- Allocation = EUR 8.2 billion
- Allocation: pro rata to 2018 proposal
 - 50-50% in 2018 prices
=> in current prices
 - 2022: EUR 4.06 billion
 - 2023: EUR 4.14 billion

EAFRD financing

- Prefinancing 1+1+1% in first 3 years of CAP plan
- Higher co-financing
 - Less developed regions: 70% => **85%**
 - Outermost regions & Aegean islands: 70% => **80%**
 - **Transition regions: 60%**
 - Other regions: 43%
 - Payments for natural or other area-specific constraints: 65%
 - Environmental, climate and other management commitments; area-specific disadvantages resulting from certain mandatory requirements; non-productive investments; European Innovation Partnership and LEADER: 80%
 - Transfers from direct payments: 100%
- De-commitment rule
 - EAFRD (MFF): N+2 (for EAFRD support under CAP Strategic Plan)
 - **EAFRD Next Generation EU: “payments by 31/12/2026” (i.e. reimbursements COM to MS)**

EAGF subceiling

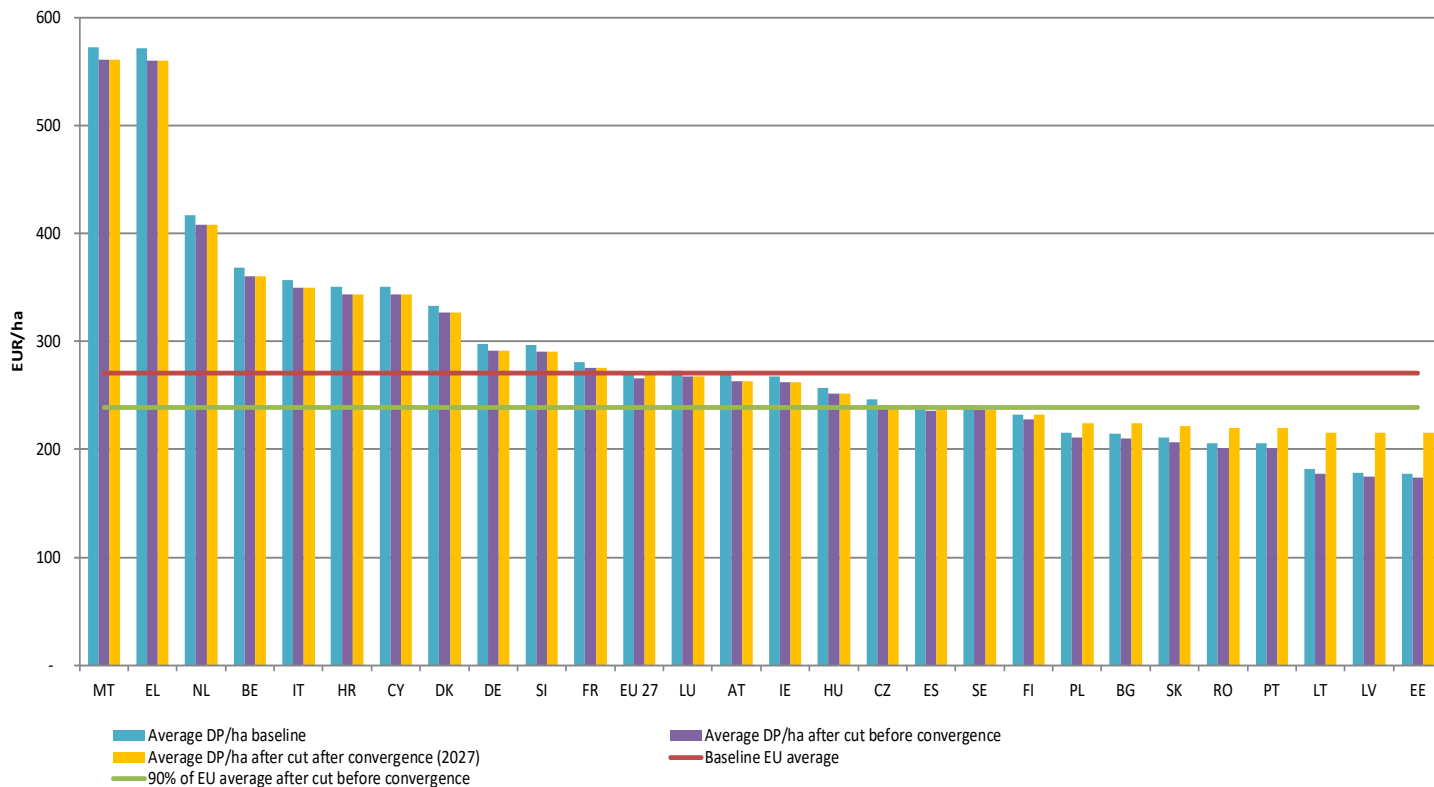
- **Finances direct payments & market related expenditure**

- **European Council conclusions – point 85** [in 2018 prices]

“Commitment appropriations for this Heading, which consists of agriculture and maritime policy, as well as environment and climate action will not exceed EUR 356 374 million of which EUR 258 594 million will be allocated to market related expenditure and direct payments. **Direct payments under regulation (EU) No 1307/2013 and under the CAP Strategic Plan Regulation will not exceed EUR 239 916 million.**”

EAGF - Direct payments

Limited cut of direct payments + further external convergence



*Amounts after cut including cotton

- **COM convergence model**
 - Closing 50% of gap over 6 years
 - Financed by all MS (**at most 2% cut**)
- **Minimum aid level per hectare**
 - 200 EUR in 2022
 - 215 EUR in 2027
 - Financed with “fresh” EAGF money

CAP issues in summit conclusions

- **Climate target:**
 - **30%** for MFF and Next Generation EU; CAP contribution 40%
- **Voluntary** capping, only basic income, deduction labour costs
- **Agricultural reserve:**
 - ~~At least 400 million/year~~ => **EUR 450 million/year**
 - Roll-over unused funds; Financial discipline cut as last resort
- **Flexibility between pillars**
 - Between direct payments and rural development: 15% => **25%**
 - Transfer to RD for climate/environment (15%) and young farmers (2%)
 - **Transfer to DP for 11 MS < 90% of aid/hectare: 30% [EE-LV-LT-PT-RO-SK-BG-PL-FI-SE-ES]**