

CAP 2023-2027

CAP Strategic Plans Regulation (SPR)

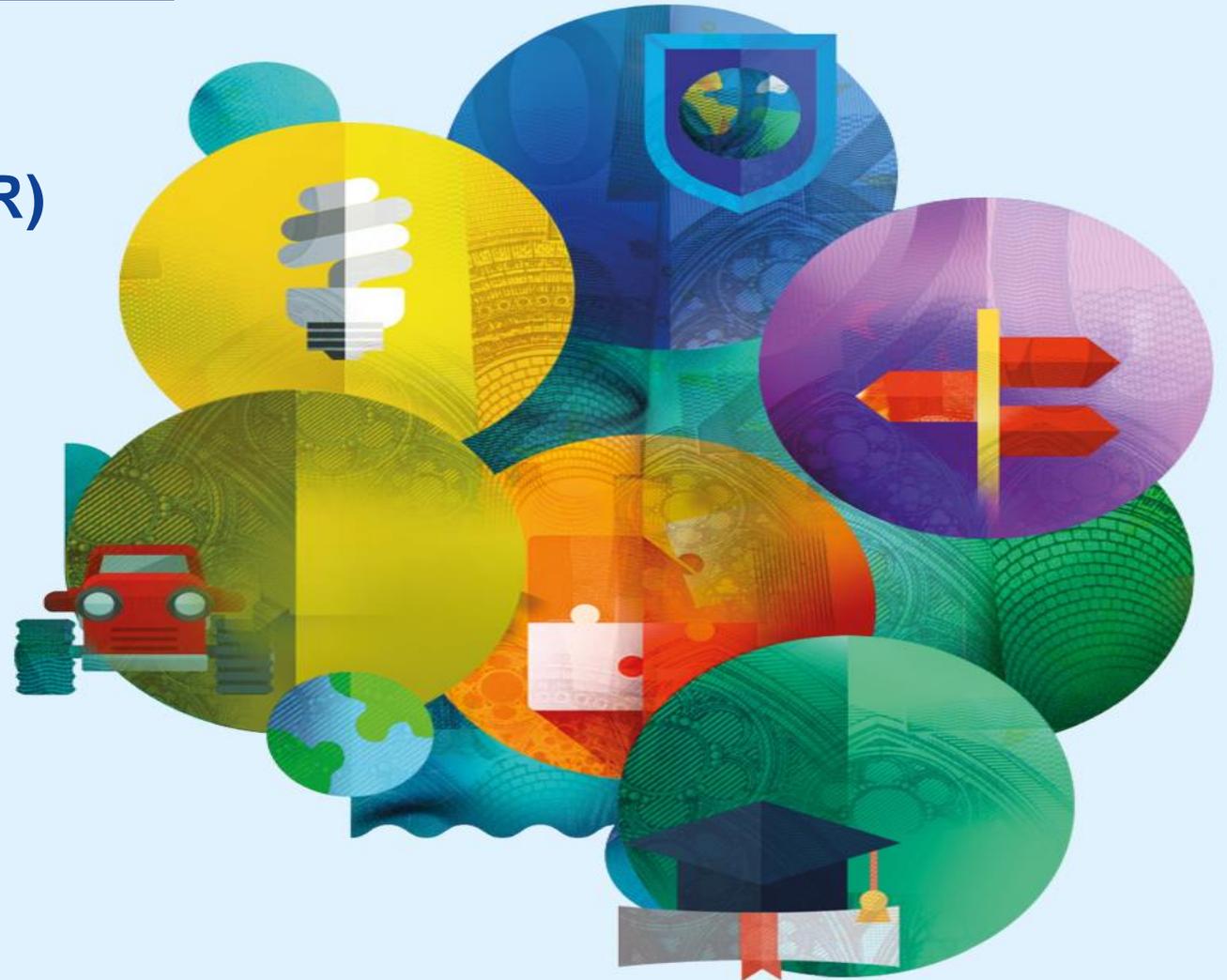
Political Outcome (July 2021)

Rural Development

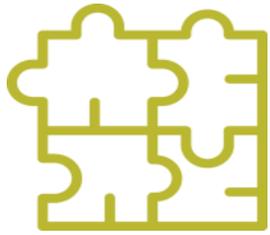
Focus on Investments / Risk Management

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#FutureofCAP



RURAL DEVELOPMENT in Comm Proposal (2018)



Key Features

Ring-fencing of **total EAFRD** contribution:

- **30%** for interventions addressing the 3 environmental/ climate objectives
- **5%** for LEADER

Mandatory risk management tools and Risk Management Strategy

Simplified implementation of **LEADER**

Higher support rates for investment

Digital strategies to be included in CAP Strategic Plans

Possibilities for combining **Financial Instruments** and grants

Increase of the **maximum amount of aid for the installation of young farmers** (up to EUR 100.000)

Simpler way of ensuring coherence with other EU funds: CAP Plan instead of Partnership Agreement

Main changes compared to COM proposal

➤ Ring-fencing requirements

- **35%** Green EAFRD ring-fencing (Art 86.2), including
 - ❑ Management commitments (Art 65)
 - ❑ **50% ANC** payments (Art 66)
 - ❑ N2000/WFD payments (Art 67)
 - ❑ **Green investments benefiting from higher support rate (Art 68)**
- **3%** Young farmer ring-fencing, including
 - ❑ Top-up payments (Art 27)
 - ❑ Setting-up aid (Art 69)
 - ❑ **50% investments by young farmers benefiting from max. 80% support rate (Art 68)**

➤ Investments (Art 68)

- Negative list:
 - Production rights
 - Payment entitlements
 - Purchase of land > 10%
 - Purchase of animals and plants, other than: restoration, livestock protection, machinery replacement in forestry, endangered breeds and genetic resources
 - Interest rates
 - Large-scale infrastructure, other than: broadband and flood/coastal protection
 - Afforestation not complying with SFM

➤ Investments (Art 68)

- Maximum support rates:
 - ❑ 65% - normal
 - ❑ 80% - green, young, outermost and animal welfare
 - ❑ 85% - small farms
 - ❑ 100%
 - ✓ afforestation, agro-forestry, land consolidation in forestry and green non-productive investments
 - ✓ investments in basic services in rural areas and infrastructure in agriculture and forestry
 - ✓ restoration and preventive actions, maintaining the health of forests
 - ✓ Non-productive investments by Leader and EIP groups
- Investments for meeting new EU standards for a period of 24 months

➤ Irrigation (Art 68a)

- Builds on current legal framework (Art 46 R1305/2013)
- Same conditions for modernization and expansion
- Potential and effective water savings to be included in the CAP Plan for modernisation
- No derogations for investments in expansion in areas under stress
- Specific conditions for reservoirs
- Reference to new Reclaim Water Directive

➤ Start-up aid (Art 69)

- young farmers
- rural businesses linked to agriculture or forestry **including the setting-up of new farmers (*clarification*)**
- farm household income diversification into non-agricultural activities;
- business start-up of non-agricultural activities in rural areas being part of local development strategies
- Maximum 100 000 EUR for all

➤ Risk management (Art 70)

- Voluntary
- Risks: production and income
- Tools: Insurance, mutual funds, others
- Losses: min. 20% drop over the last 5 years
- Stand-alone working capital possible for farmers who do not participate in a risk management tool
- Possibility to pay a max 3% top-up to direct payments for RM (Art 15a)
- Member States can direct the support to specific agricultural sectors or types of farming systems or territorial areas.

➤ Risk management (Art 70)

Member States shall establish

- types and coverage of eligible insurance schemes and mutual funds
- the methodology for the calculation of losses and triggering factors for compensation
- the rules for the constitution and management of the mutual funds

➤ Risk management (Art 70): points of attention

*Compliance with
WTO rules*



*Further
requirements to
be defined by MS*



*Synergies
with
national
schemes*



*Overcompensation
must be avoided*



Thank you

