



# New Common Agricultural Policy

Eco-schemes: Overview of the political compromise of 25th June 2021

**Maria Fuentes Merino**

DG for Agriculture and Rural Development, unit D2

CDG fruits and vegetables, 1st October 2021



# Plan

- Main provisions of eco-schemes
- Ring-fencing

# Main provisions



*New/revised provisions highlighted in red*

- Objectives and scope
- Main features
- Design requirements
- Types of payments

# Eco-schemes: scope

- **Art. 31** of the final SPR : schemes for the climate, the environment **and animal welfare**
- Main intervention within DP (Pillar I) for delivering on environmental and climate objectives
- ...as well as **animal welfare and combatting antimicrobial resistance (AMR)**
- EU-wide and **simple** legal framework that leaves **flexibility** to Member States while ensuring a **level playing field** and ambition of eco-schemes



Climate  
Change (S04)



Natural  
resources (S05)



Biodiversity and  
landscapes (S06)



AW, AMR, pesticides  
(S09)



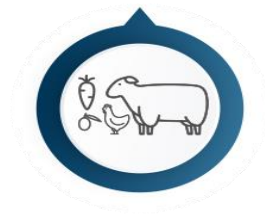
# Eco-schemes: main features

- Eco-schemes (ES) will support farmers to apply practices that are beneficial for environment, climate, **animal welfare and combatting antimicrobial resistance (AMR)** and evolve towards more sustainable farming models
- **Compulsory** for MS: should propose ES on environment/climate but may propose ES for AW/AMR
- **Voluntary** tools to farmers **and groups of active farmers**
- Support for a broad range of practices going beyond a « **baseline** »:
  - Conditionality (SMR and GAEC)
  - Other national and EU legal requirements (fertiliser, PPP, AW)
  - **Derogation (24 months) for new requirements going beyond EU minimum**
- *While payments are annual, ES can be designed on the basis of multi-annual commitments (e.g. organic farming)*

# Eco-schemes: design

- As a general rule, each ES should cover at least 2 « areas of action » (covering SO4 to 6 and SO9)
- MS need to use a scoring system or other appropriate methodology to ensure ES' effectiveness and efficiency to deliver on targets set
- Link with environmental, climate and other commitments (under RD):
  - *Commitments should be different*
  - *Should be consistent*
- Possibility of “enhanced eco-schemes” [*term used during trilogues and included in the recitals and in Annex III, in relation to GAEC 8*]
  - an ES building upon one/several conditionality standards
  - avoid duplication of controls
  - Example: ES on a share of LF/arable area of minimum 10% (draws on GAEC 8)

Areas of  
**ACTION**  
under the  
**CAP**  
**STRATEGIC**  
**PLANS**



g) Actions to enhance **animal welfare** or address antimicrobial resistance

a) Climate change mitigation, carbon sequestration



b) Adaptation to climate change, increase resilience

c) Protection or improvement of water quality and reduction of pressure on water resources



d) Prevention of soil degradation, improve soil fertility



e) Protection of **biodiversity**, habitats species, landscape features

f) reduced use of pesticides

**ENVIRONMENT,  
CLIMATE,  
ANIMAL  
WELFARE and  
AMR**



# Eco-schemes: payments

## Additional to BISS - Art. 31(7)a

- Area eligible – **eligible hectare** to DP (as set in Art. 4 and defined by MS)
- Farmer needs to **receive the BISS** on eligible area
- Farmers **should not hold PE on all** the hectares receiving ES payment
- Payment for all hectares covered by the ES
- MS need to **justify the level of payments** by taking into account level of sustainability and ambition of practices committed, based on objective and transparent criteria
- WTO “green box” rules: notably no link with type/volume of production

## In the form of compensation - Art. 31(7)b

- Area should be **eligible to DP** (Art. 4)
- Receiving the **BISS is not** a condition
- Payments per hectare **and per LU (for AW and climate-related commitments)**
- On the basis of additional costs/income loss and transaction costs (certification)
- **Taking into account targets set**





# MAIN types of AGRICULTURAL PRACTICES (indicative, out of SPR)



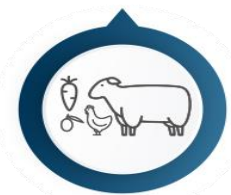
CLIMATE CHANGE  
ACTION



NATURAL  
RESSOURCES



**PRESERVE**  
LANDSCAPES &  
BIODIVERSITY



**ANIMAL WELFARE  
& AMR**

## 1. PRACTICES ESTABLISHED IN EU POLICIES

- Organic farming: conversion and maintenance
- Integrated Pest Management practices (Directive SUD)

## 2. OTHER types of PRACTICES

- Agro-ecology
- Husbandry and AW plans
- Agro-forestry
- Landscape features
- High nature value (HNV) farming
- Precision farming
- Nutrient management
- Protecting water resources
- Practices beneficial for soil
- Related to GHG



European  
Commission

# Ring-fencing

- The outcome
- RF at planning level
- RF at implementation level – learning period, flexibilities

# Ring-fencing for eco-schemes: outcome

- Part of the political compromise – important to support the green ambition by ensuring an **adequate** level of financing for the eco-schemes
- Challenges: new type of intervention, **uncertainty** on uptake by farmers, direct payments are annual payments
- Certain **flexibility** granted to MS both at the level of planning and at the level of implementation (learning period)
- Without undermining the aim of having a ring-fencing: “**Green funds shall stay green**”

# Ring-fencing for eco-schemes - planning

- Main rule: **25%** of the annual allocations for direct payments are ring-fenced for eco-schemes
- **Rebate** at planning level based on “dark green” rural developments interventions:
  - If planning >30% of EAFRD allocation for Art. 65, 67 and 68
  - Insofar as addressing env- and climate-related objectives : art. 6(1)(d), (e) and (f) and animal welfare under art. 6(1)(i)
  - Total eco-scheme rebate up to the amount by which the 30% is exceeded
- **Limit:** eco-scheme ring-fencing at least 12,5% of the direct payments annual allocation
- **Exception:** If Art. 65 planning > 150% of the eco-scheme ring-fencing, then 75% rebate is possible

# Eco-scheme ring-fencing - implementation

- **Learning period: 2023 and 2024**
  - **Flexibility** in implementation
    - « **Floor** » : unused funds for ecoschemes can be transferred to other decoupled direct payments within the year and within a limit of maximum 5% of annual direct payments allocations.
    - For the two years together, amounts transferred beyond 2,5% must be compensated
    - MS shall also compensate if they transfer funds beyond the « floor »
- **Compensation:** increase the amounts planned for eco-schemes or for rural development interventions (art. 65, 67 and 68) for the following years of the period
- **For 2025 and 2026:** there is an additional flexibility to transfer unspent funds (2%) requires « compensation »

# Ring-fencing – planning and implementation

Flexibility in implementation of eco-scheme ringfencing - example					
	2023	2024	2025	2026	2027
Planning	25%	25%	25%	25%	25%
Floor [5%]	Transfer to other decoupled DP: an amount corresponding to 2,5% of the sum of yearly allocations for the learning period without compensation, the rest with compensation*.				
Flexibility below floor [20-0%]	Transfer to other decoupled DP against compensation	Transfer to other DP against compensation			
2% flexibility			Transfer to other DP against compensation	Transfer to other DP against compensation	
*If the DP allocation for 2023 is 100 M and for 2024 100 M, then the MS may transfer 5M in 2023 and 5M in 2024. In total for the 2 years: 5 M without compensation and 5 M subject compensation					

# Thank you

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