

# EU Budget: the CAP after 2020



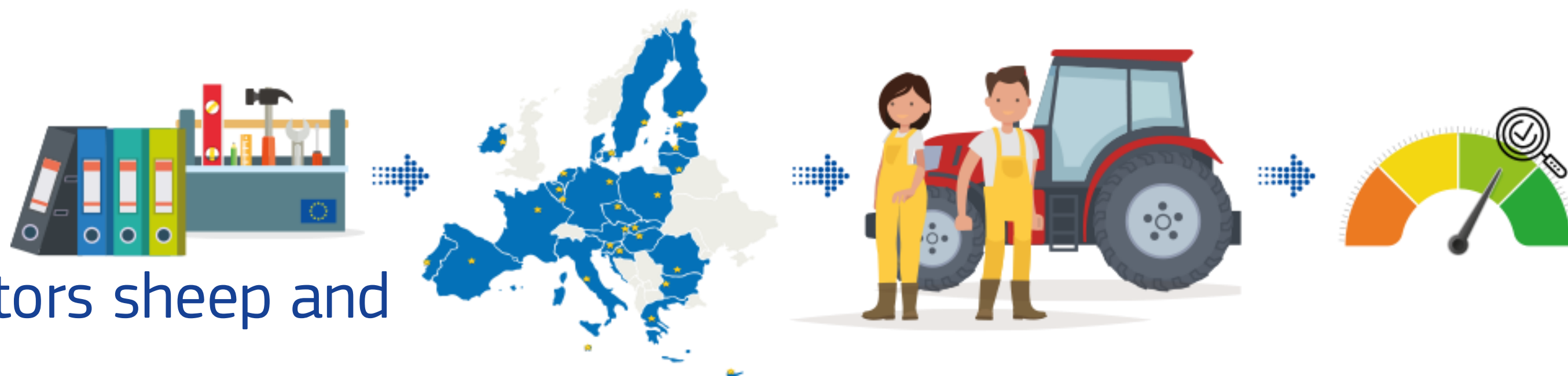
MODERNISING & SIMPLIFYING THE COMMON AGRICULTURAL POLICY  
TARGETED, FLEXIBLE, EFFECTIVE



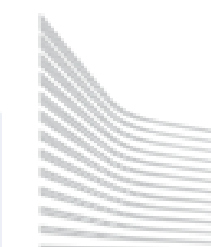
A STRONG BUDGET  
FOR A STRONG CAP

CDG animal product – sectors sheep and  
goat and beekeeping

20 June 2018



#FutureofCAP



European  
Commission





# WHY: LESSONS LEARNT FROM ASSESING THE CAP

## ***Analysis and wide public consultation confirm major achievements of the CAP...***

- *Increase in EU competitiveness turned the EU into a net agro-food value-added exporter*
- *Positive impact on jobs, growth and poverty reduction spread in all EU rural areas*
- *Relative income stability within a very volatile farm-income and commodity-price environment*

## ***...but analysis and public opinion also reveal shortcomings to be addressed...***

- *Despite progress, the environmental performance of EU agriculture requires improvement*
- *Productivity growth is mainly driven by labour outflow and less by R&I or investment*
- *Equity, safety net and simplicity questions persist despite CAP efforts to address them*

## ***...in a changing broader environment within which the CAP operates***

- *Expectations about the level of agricultural and commodity prices changed from CAP post-2013*
- *The world trade environment has shifted from multilateral to bilateral/regional agreements*
- *New climate change, environmental and sustainability commitments stem from COP21 and SDGs*



# THE FUTURE CAP PRIORITIES AT A GLANCE

## ➤ ***Continuity within new EU priorities in a post-BREXIT MFF***

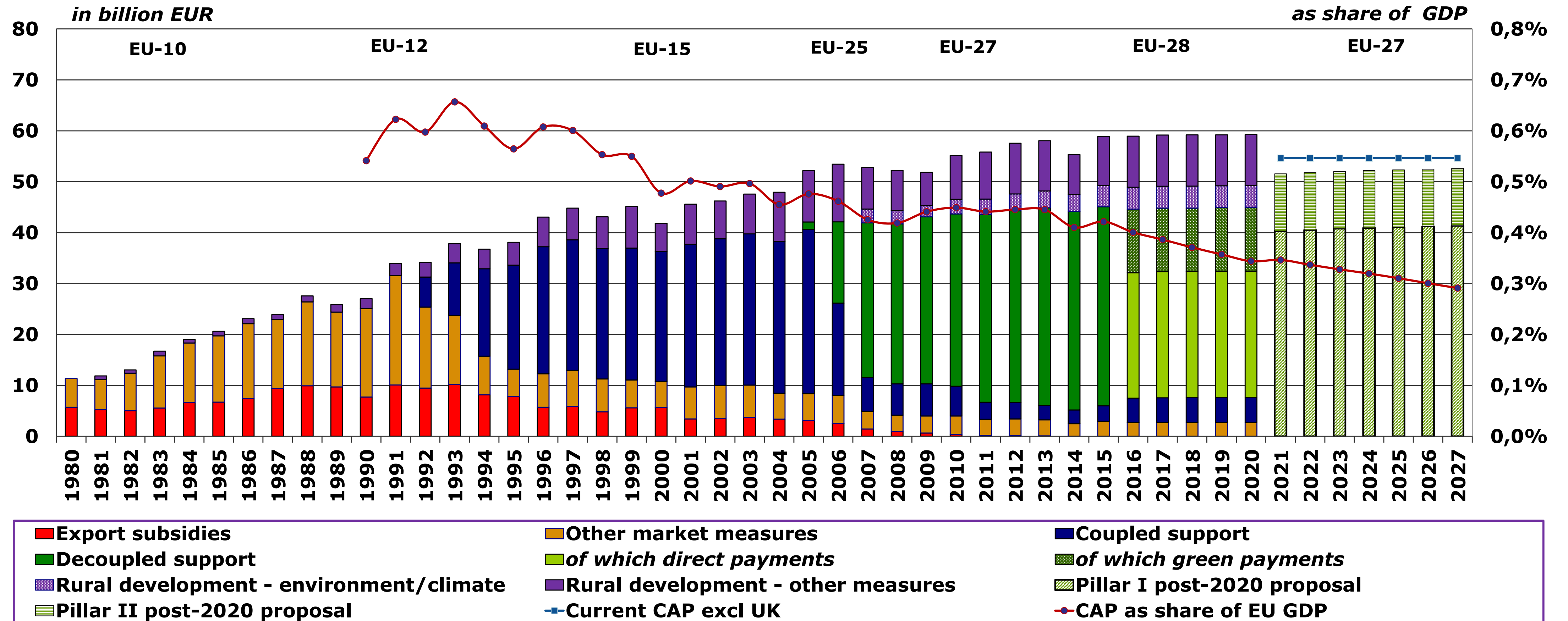
*A 5% cut in expenditure, but a more targeted approach to improve efficiency and performance*

*The "C" in the CAP remains strong, implies a better sharing of responsibilities between EU and MS*

*Better link to other policies (esp. environment, climate, research, health) improves mutual efficiency*



# HOW MUCH: CAP BUDGET IN PERSPECTIVE (current prices)



Source: EC-DG AGRI.

Note: Budget figures are actual until budget year 2016, programmed from 2017-2020, and based on the MFF proposal for 2021-2027.



# THE FUTURE CAP PRIORITIES AT A GLANCE

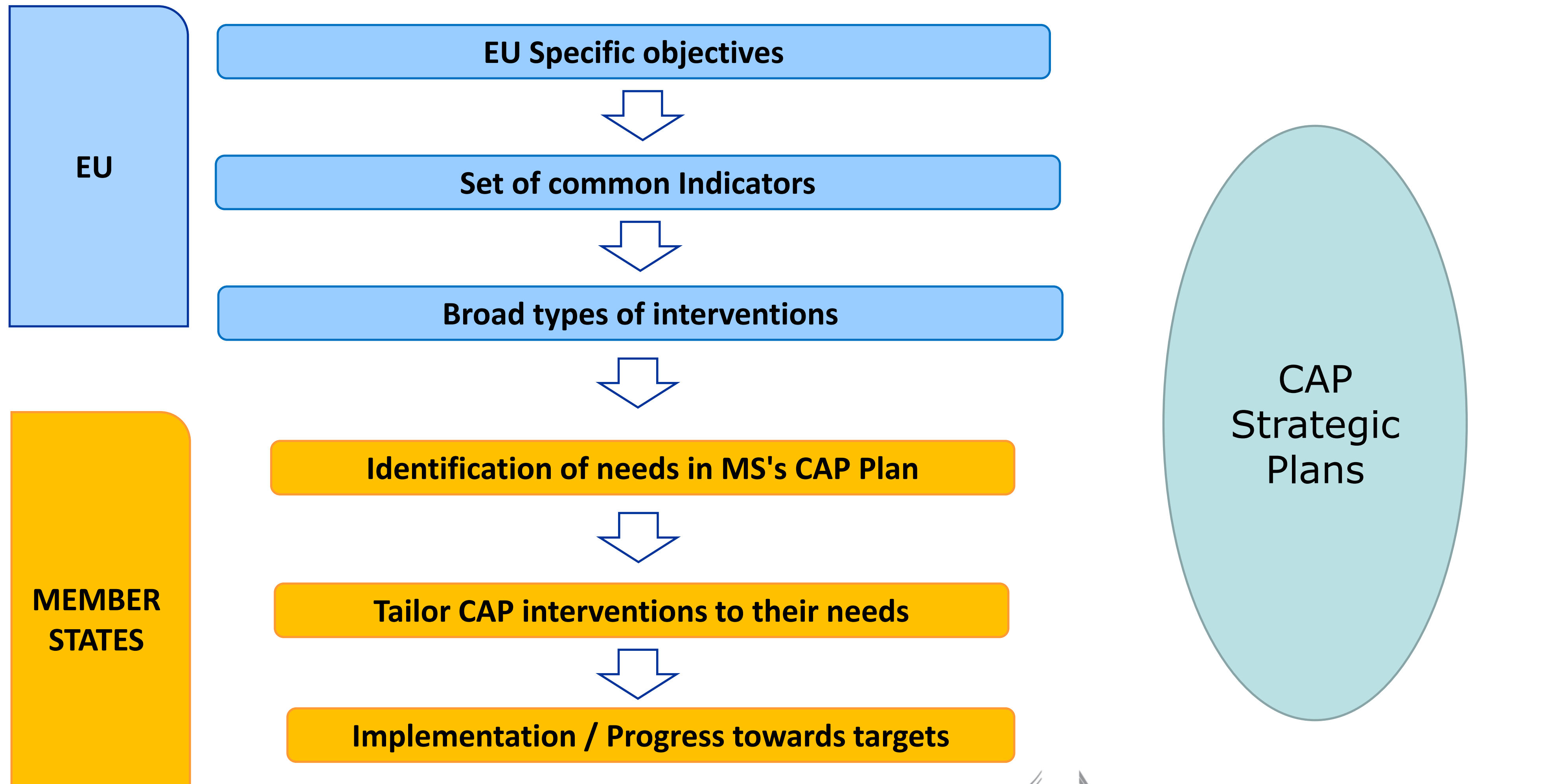
➤ *Continuity within new EU priorities in a post-BREXIT MFF*

➤ ***Simplification and modernisation of the CAP***

*From compliance to performance : the new delivery model*



# HOW: THE NEW DELIVERY MODEL OF THE CAP





# *Assessing CAP performance*

**Income**

**Competitiveness**

**Food chain**

**Climate change**

**Environment**

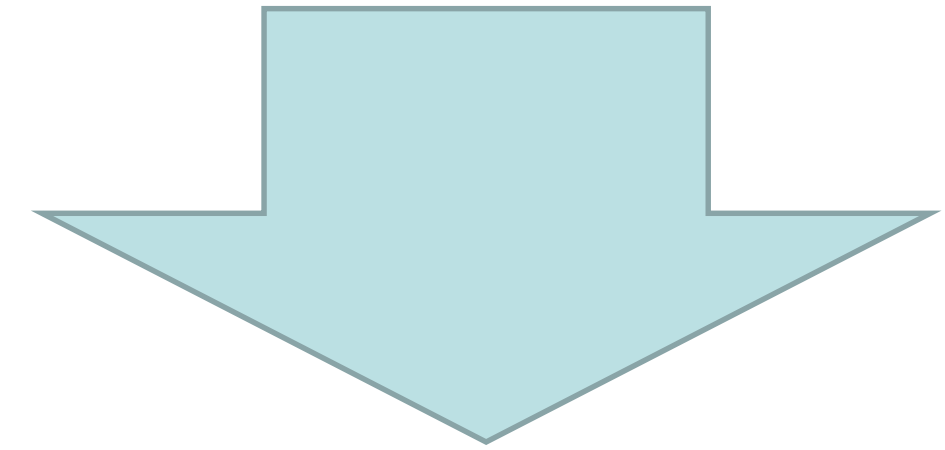
**Landscapes**

**Generational renewal**

**Rural areas**

**Food and health**

**EU Objectives**



**Impact indicators**





# HOW: FOCUS ON PERFORMANCE

*Multi-annual programming approach for the whole CAP*

**COMMON OBJECTIVES**

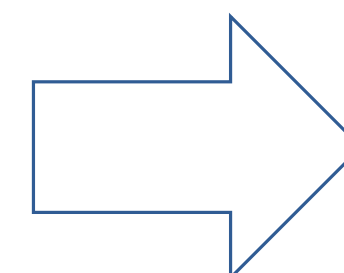
**INDICATORS**

**TYPES OF INTERVENTIONS**

**Assurance**

*Annual Performance Clearance*

Linking expenditure to output

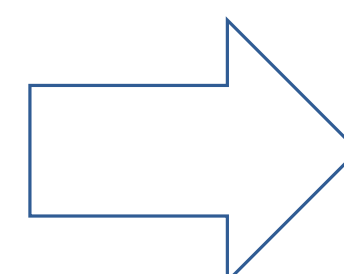


**Common Output Indicators**

**Monitoring**

*Annual Performance Review*

Checking progress towards targets

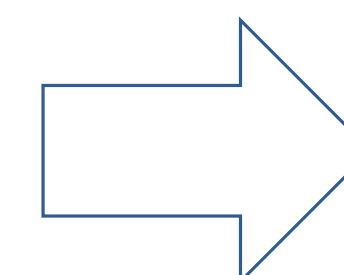


**Common Result Indicators**

**Policy  
performance**

*Interim Evaluation*

Assessing performance towards objectives



**Common Impact Indicators**







# A SIMPLER CAP

## NEW OPPORTUNITIES

- **EU focus on results and performance of the policy**
- **Simplification** and reduction of administrative burden
  - stems from requirement of the **CAP Strategic Plan**
- **Design of a plan adapted to local needs**
- **Streamline schemes in both pillars**
- **Development of a more targeted compliance framework**
  - ✓ including for environment and climate-friendly practices

## FOR BENEFICIARIES

- **Rules** defined much **closer to their daily reality**
- **No EU Commission's audit on individual beneficiaries**
- **Use of technologies** for faster, slimmer and more automatic fulfilment of administrative procedures
- Access to **impartial farm advice and assistance** in applying for support

## FOR ADMINISTRATIONS

- **Less prescription** from EU requirements
- **Stability** in governance **structures** (Paying Agencies, Certification Bodies)
- **Stability** in **systems** (IACS, LPIS)
- **Streamlining of reporting requirements**



# THE FUTURE CAP PRIORITIES AT A GLANCE

- *Continuity within new EU priorities in a post-BREXIT MFF*
- *Simplification and modernisation of the CAP*
- ***Support to the development of a knowledge-based agriculture***

*A better link of what we know to what we grow would promote the use of smart agriculture*

*Anticipating future knowledge needs promoted with more funding for research to address them*

*Exchange and knowledge transfer relies more on improved functioning of the FAS/EIP Systems*





# A MODERN CAP

## PUSH FOR NEW TECHNOLOGIES

### Huge potential to save time, money:

- Development of an “**area monitoring system**” (i.e. a system based on systematic, year-round remote observation of agricultural activities) with potential of replacing classical control methods
- **Geo-spatial application (GSA)**, a digital application that integrates GIS technology, will continue to be the default method of submitting applications
- **Pre-fill of application** with as much up-to-date and reliable information as possible (e.g. data from the Land Parcel Identification System)

## EXTENDED FARM ADVICE

- Beneficiaries will get **access to improved farm advice**
- Farm advice will cover **all requirements of the CAP strategic plan**
  - **including conditionality**
- Extensive list of **new elements in farm advice**
  - Rural development interventions, financial instruments and business plans (included in CAP Plans), Clean Air Directive, National Emission Ceiling Directive, Animal Health Law, Plant Health Law, Practices against anti-microbial resistance, Risk management, Innovation support (with European Innovation Partnerships), Development of digital technologies



# THE FUTURE CAP PRIORITIES AT A GLANCE

- *Continuity within new EU priorities in a post-BREXIT MFF*
- *Simplification and modernisation of the CAP*
- *Support to the development of a knowledge-based agriculture*

- ***Higher ambitions on environment and climate***

*EU sets wide objectives and list of available types of intervention on air, water, soil, biodiversity*

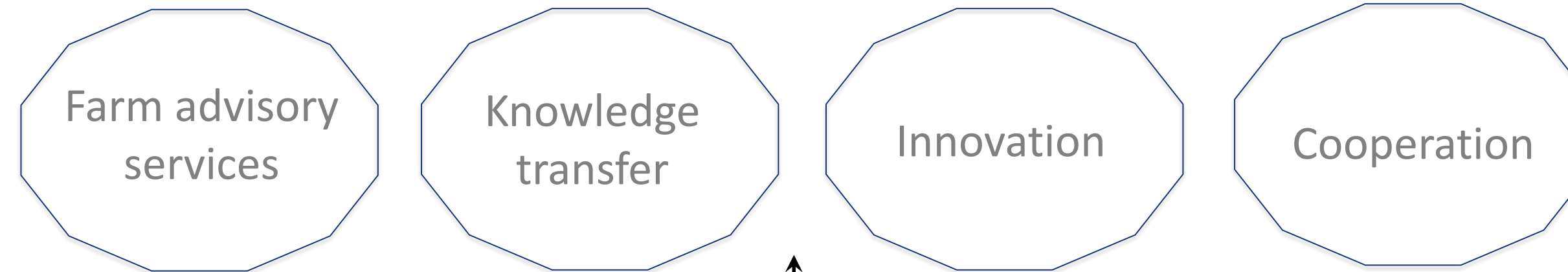
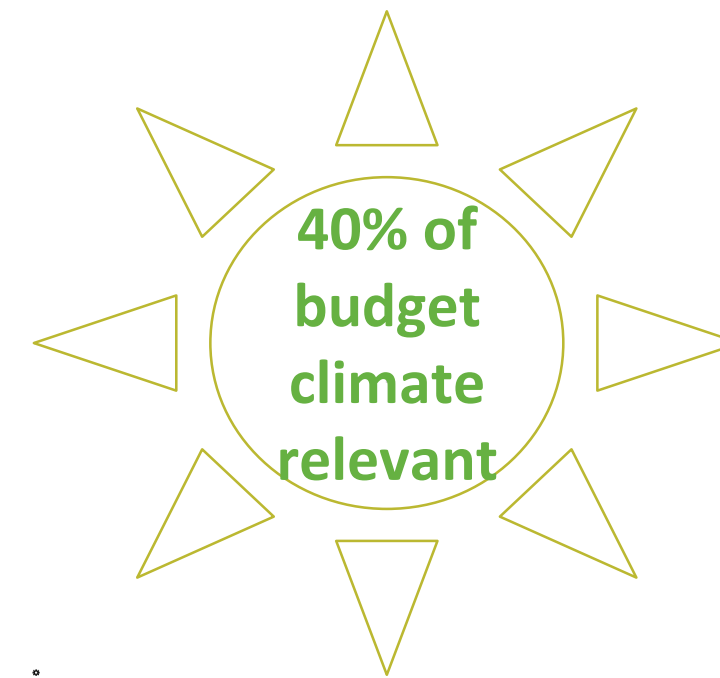
*MS Strategic plans define the pertinent actions to meet EU objectives based on MS specific needs*

*Farmers apply for schemes and comply with stringent environmental criteria defined by EU/MS*





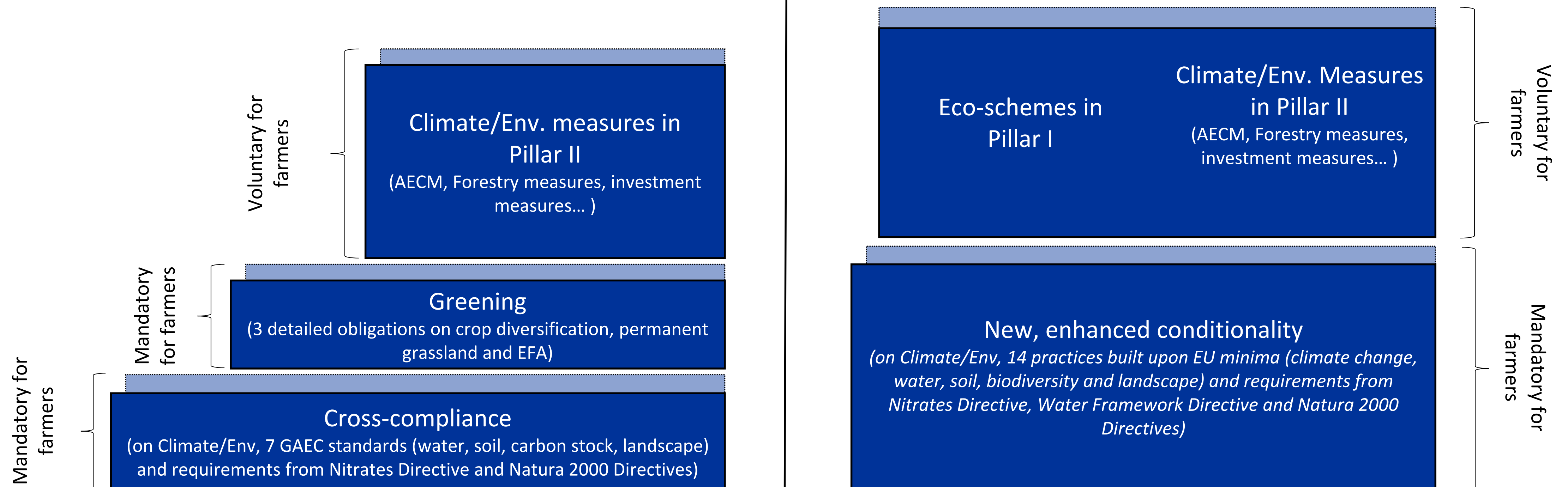
# HOW: THE NEW GREEN ARCHITECTURE OF THE CAP



Current architecture

Level of  
requirement

New architecture





# THE FUTURE CAP PRIORITIES AT A GLANCE

- *Continuity within new EU priorities in a post-BREXIT MFF*
- *Simplification and modernisation of the CAP*
- *Support to the development of a knowledge-based agriculture*
- *Higher ambitions on environment and climate*
  
- ***A fairer and more effective distribution of support across MS and farmers***

*DPs provide an important safety net for farm income lagging behind the rest of the economy*

*Better targeting of income support improved with internal convergence and redistributive payments*

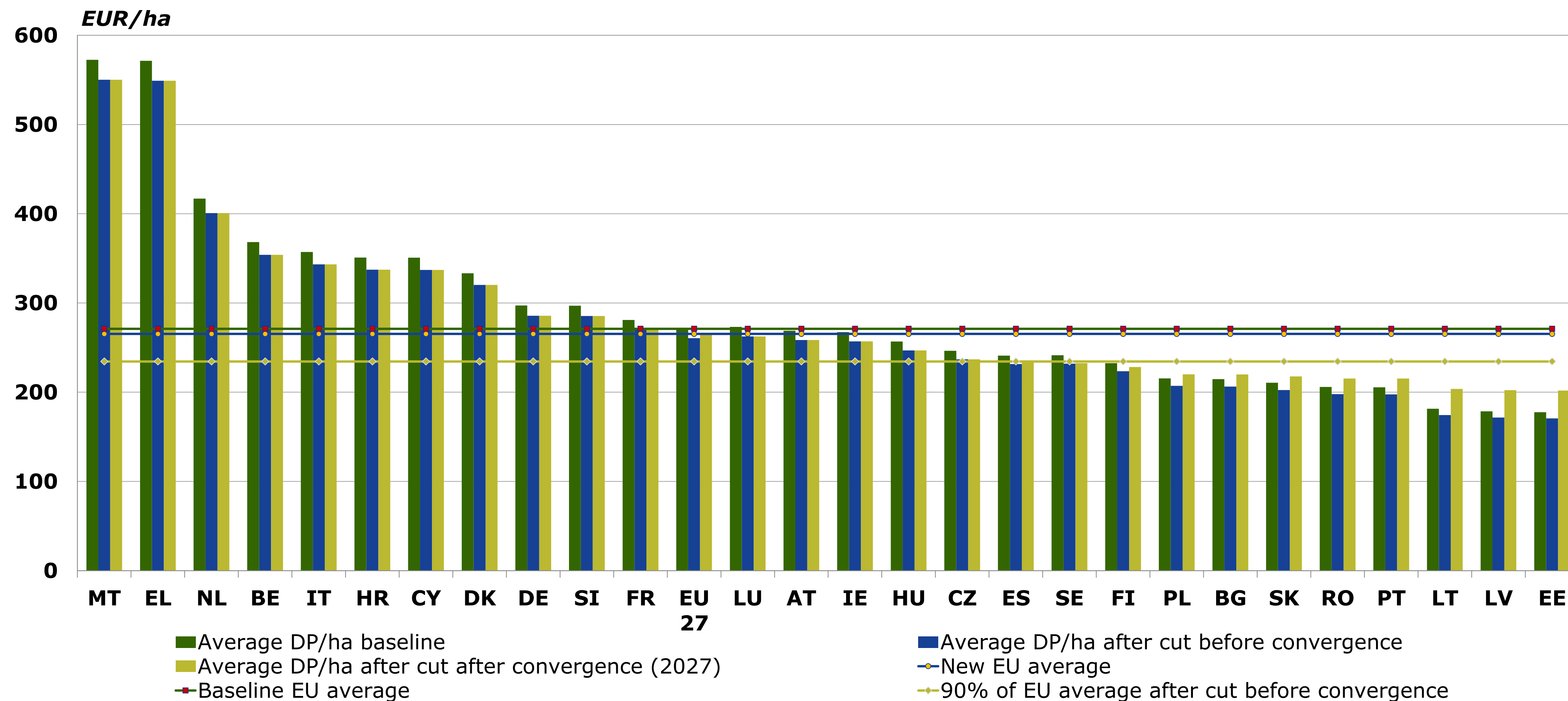
*Fairer distribution is improved with digressive cuts above 60 000 € and capping at 100 000 €*







# HOW MUCH: CONVERGENCE OF DIRECT PAYMENTS (2027)



Source: EC-DG AGRI.

Note: Direct payment amounts exclude payments for cotton.



# FOR WHOM: A FAIRER AND MORE TARGETED DISTRIBUTION

- **Reduction** of all direct payments **above EUR 60 000 and capping at 100 000**
  - taking into account salaries and labour costs
- Complementary **redistributive income** support for sustainability
- Additional amount per hectare, **shift from bigger to smaller and medium-sized farms**
- Complementary income support for **young farmers**
- **Convergence** of income support **within Member States:**
  - no payment entitlement with a value < 75% of the average (by 2026 at latest)
  - maximum per entitlement
- **Convergence between Member States:**
  - for all Member States with direct payments below 90% of the EU-27 average, the gap between their current level and 90% of that average will be closed by half over 6 years







# WHAT WILL CHANGE IN THE CMO?

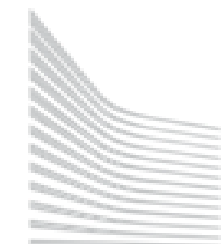
## LARGELY UNCHANGED...

### **CMO instruments remain largely unchanged**

(safety net composed of public intervention and private storage aid and exceptional measures, but also marketing standards, rules on farmers' cooperation, etc.)

## ...BUT A FEW IMPORTANT POINTS FOR MORE EFFECTIVENESS AND SIMPLIFICATION

- **Integration of sectoral interventions in the CAP plan Regulation** (for fruit and vegetables, wine, olive oil, hops and apiculture)
- **Extension of the possibility to initiate sectorial interventions to other agricultural sectors**
- Amendments to rules on **geographical indications to make them more attractive and easier to manage**
- Adjustment of allocations following the MFF proposal
- Delete a number of obsolete provisions



# REPORTS AND MORE INFORMATION AVAILABLE AT:

## ***MFF Material***

[https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals\\_en](https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en)

## ***CAP legislative proposals***

## ***Impact Assessment***

[https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index\\_en.htm](https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index_en.htm)

[https://ec.europa.eu/agriculture/consultations/cap-modernising/2017\\_en](https://ec.europa.eu/agriculture/consultations/cap-modernising/2017_en)

## ***Background AGRI material***

[https://ec.europa.eu/agriculture/index\\_en.htm](https://ec.europa.eu/agriculture/index_en.htm)

[https://ec.europa.eu/agriculture/statistics\\_en](https://ec.europa.eu/agriculture/statistics_en)

[https://ec.europa.eu/agriculture/cap-indicators\\_en](https://ec.europa.eu/agriculture/cap-indicators_en)

***Thank you for your attention!***