

EU Budget: the CAP after 2020

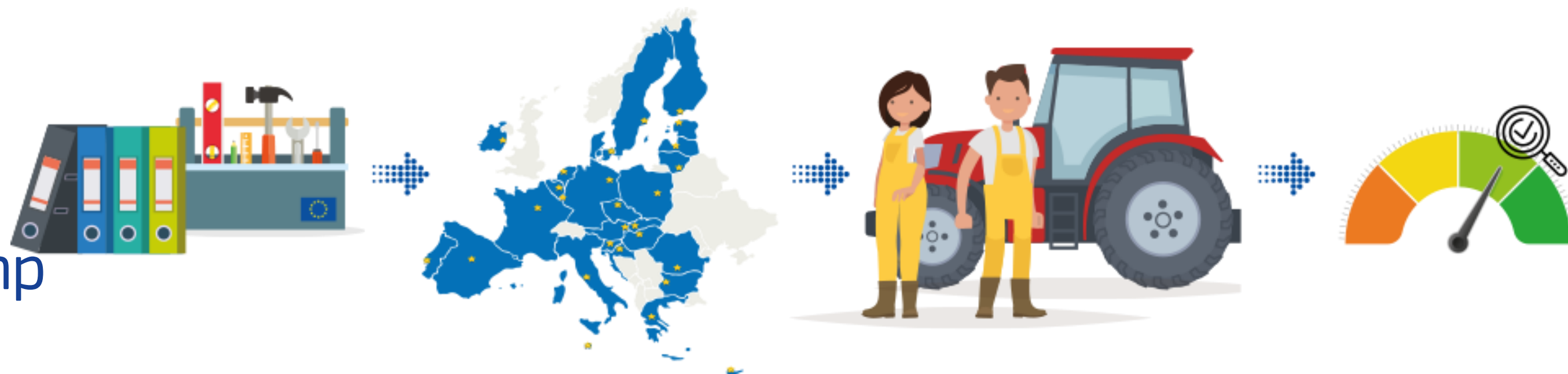


MODERNISING & SIMPLIFYING THE COMMON AGRICULTURAL POLICY
TARGETED, FLEXIBLE, EFFECTIVE

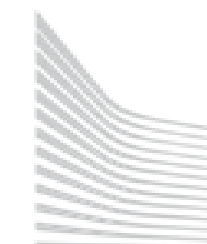


A STRONG BUDGET
FOR A STRONG CAP

CDG cotton, lax and hemp
1 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***

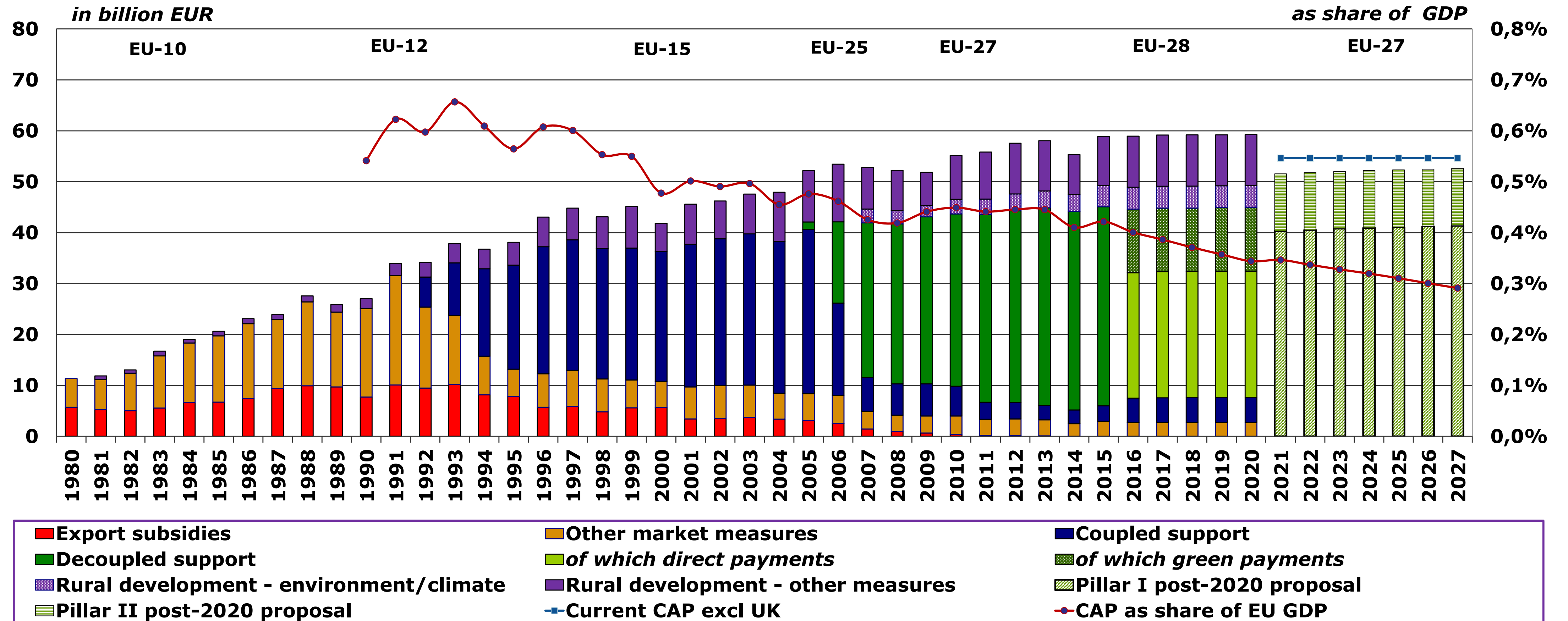
A 5% cut in expenditure, but a more targeted approach to improve efficiency and performance

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

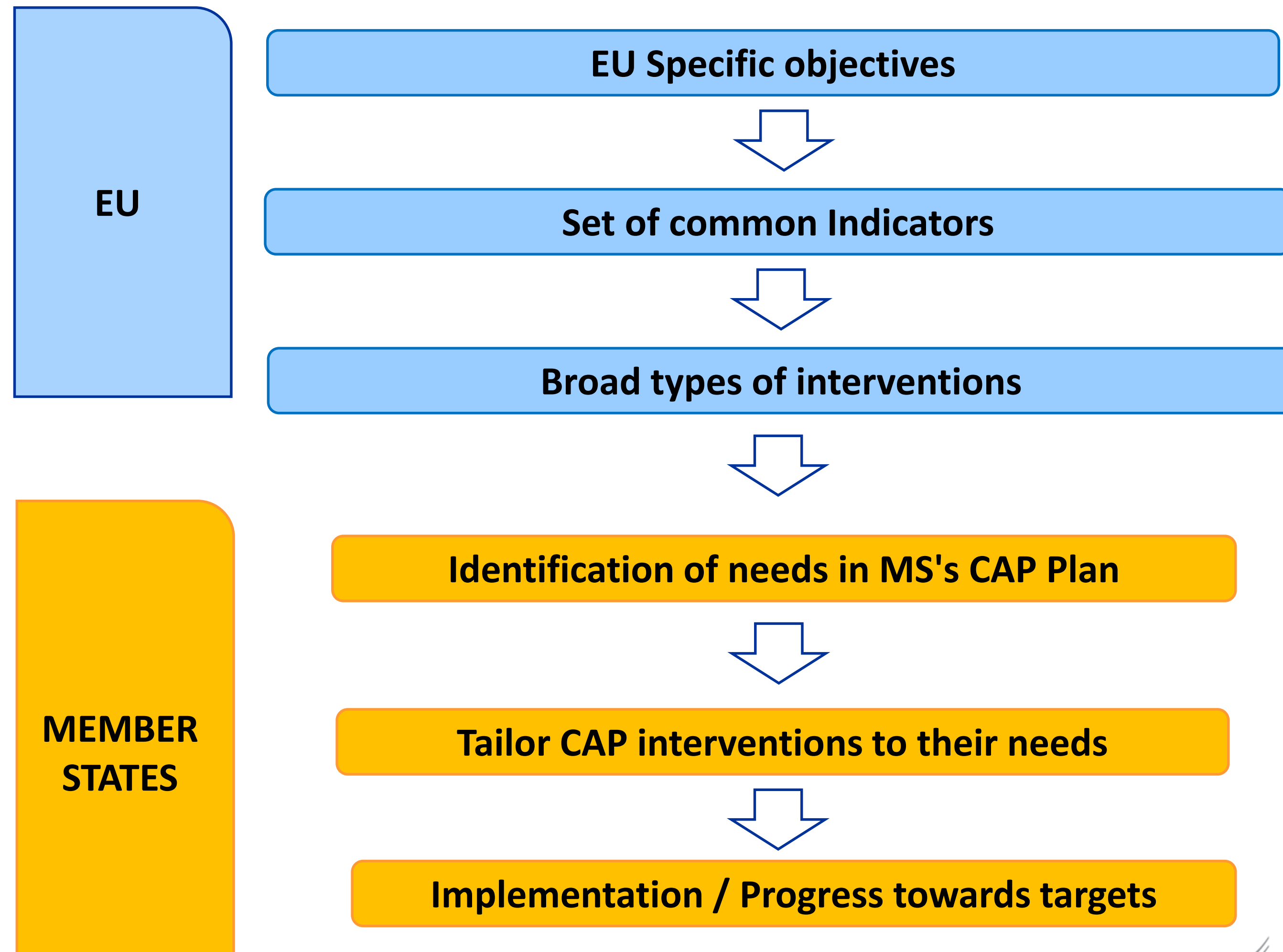
➤ *Continuity within new EU priorities in a post-BREXIT MFF*

➤ ***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

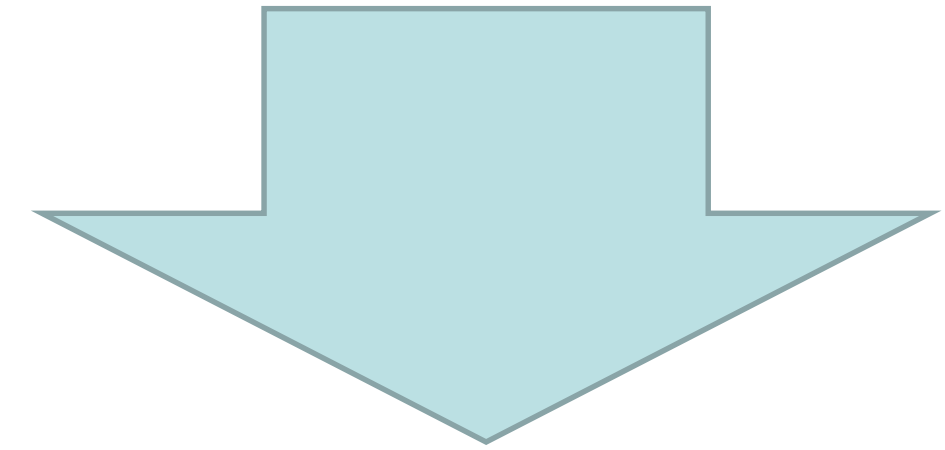
Landscapes

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

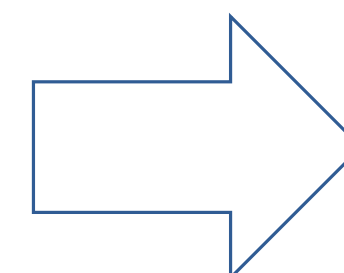
INDICATORS

TYPES OF INTERVENTIONS

Assurance

Annual Performance Clearance

Linking expenditure to output

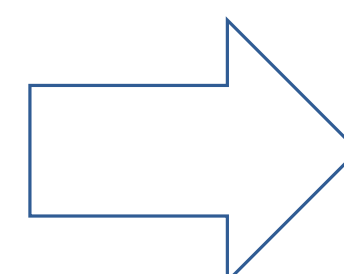


Common Output Indicators

Monitoring

Annual Performance Review

Checking progress towards targets

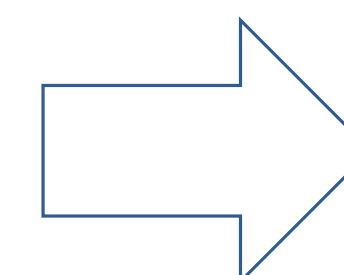


Common Result Indicators

**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***

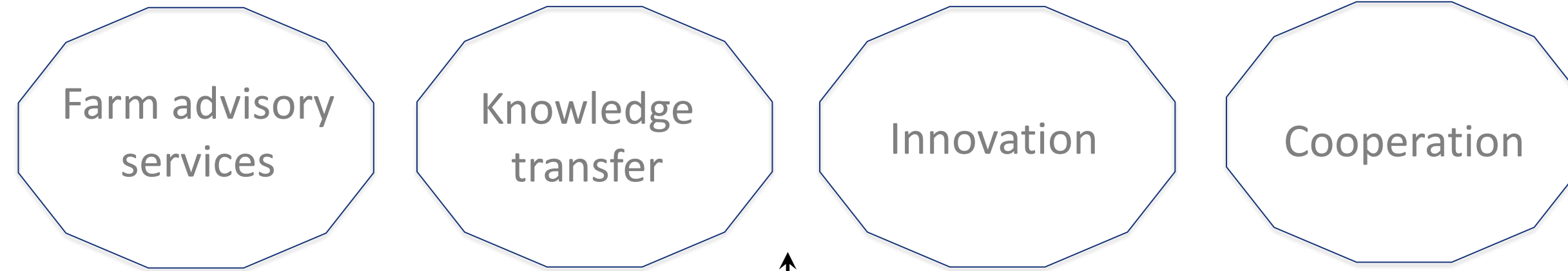
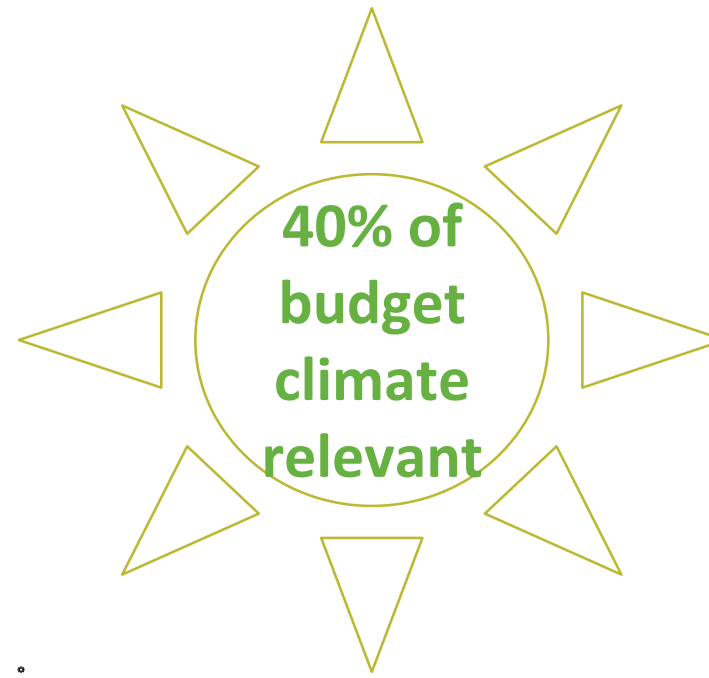
EU sets wide objectives and list of available types of intervention on air, water, soil, biodiversity

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



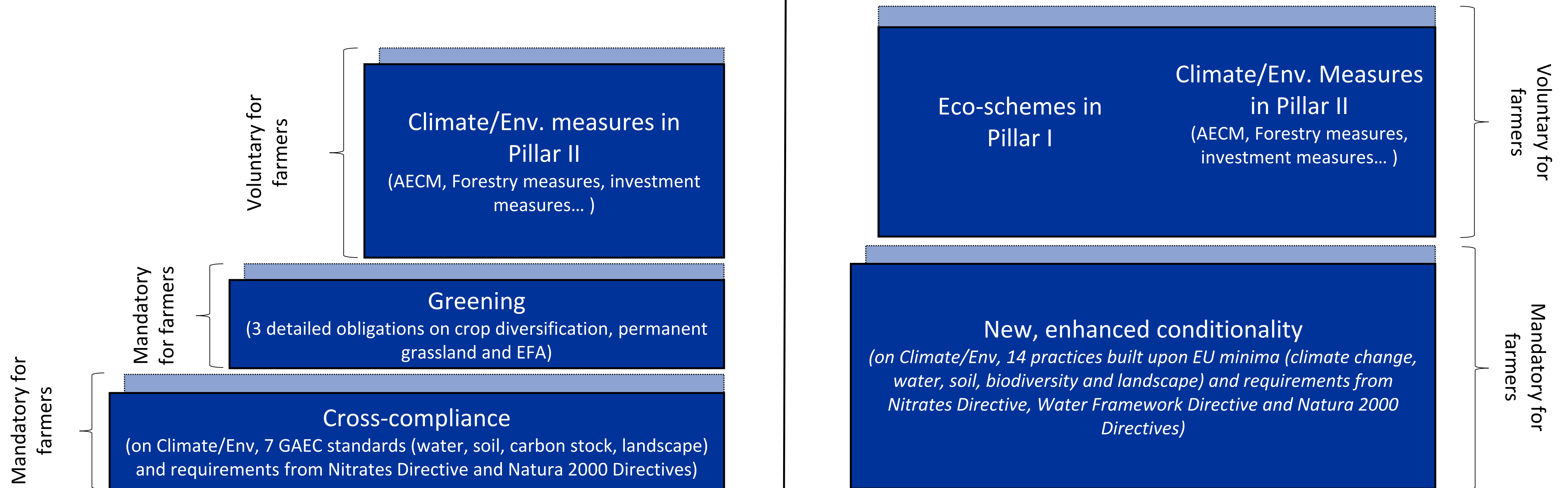
HOW: THE NEW GREEN ARCHITECTURE OF THE CAP



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

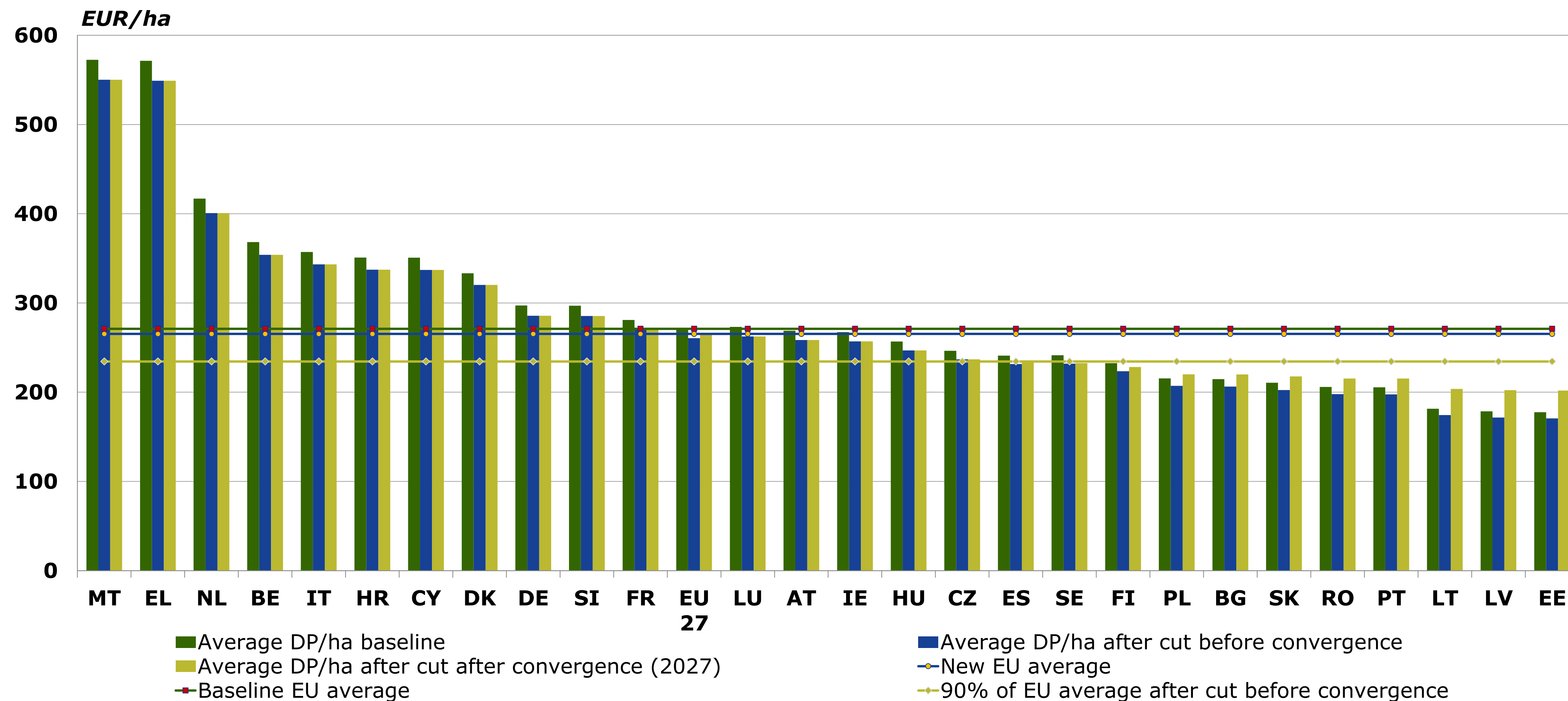
Better targeting of income support improved with internal convergence and redistributive payments

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



REPORTS AND MORE INFORMATION AVAILABLE AT:

MFF Material

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/consultations/cap-modernising/2017_en

Background AGRI material

https://ec.europa.eu/agriculture/index_en.htm

https://ec.europa.eu/agriculture/statistics_en

https://ec.europa.eu/agriculture/cap-indicators_en

Thank you for your attention!