

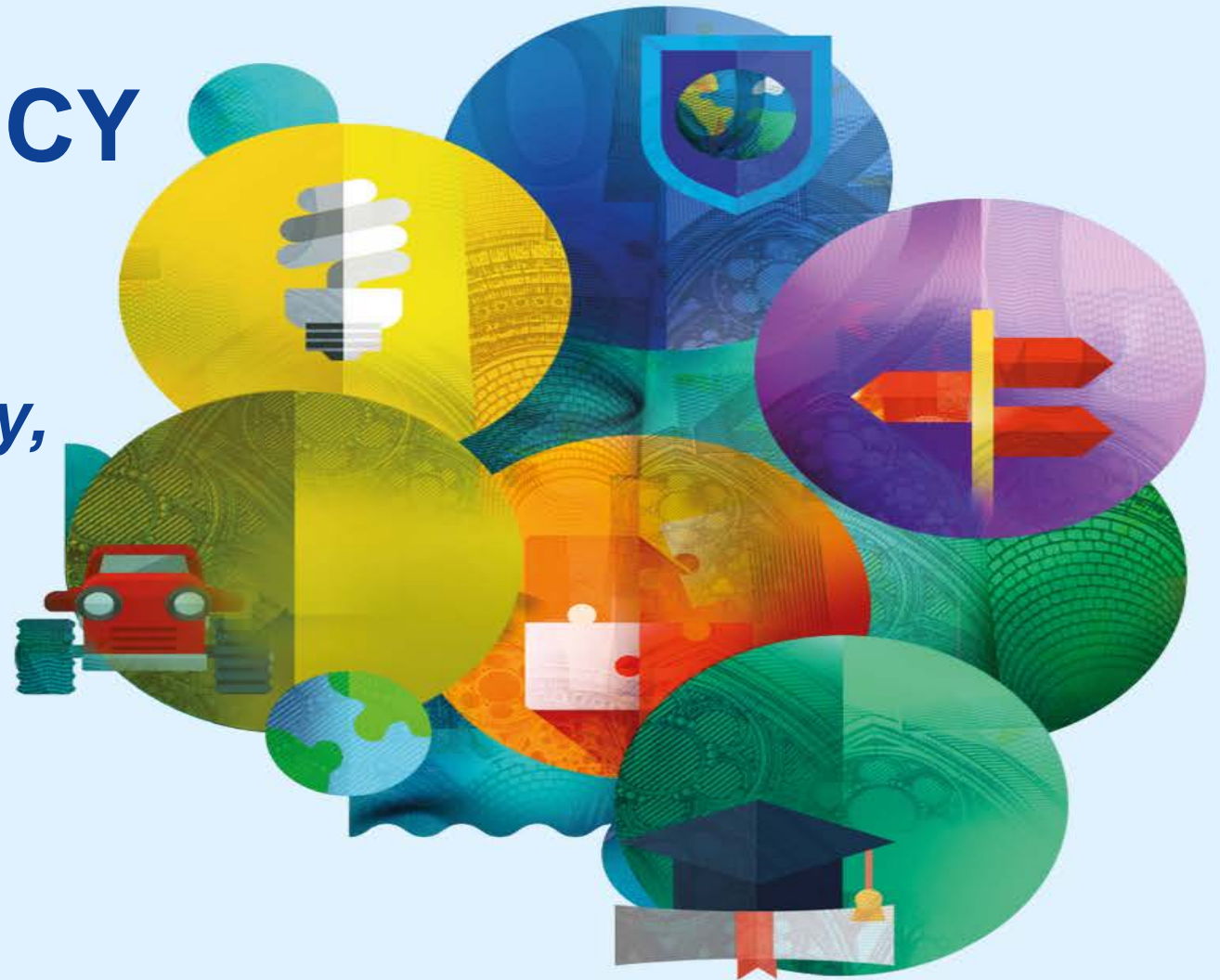
COMMON AGRICULTURAL POLICY

post-2020

**Direct payments: Land eligibility,
regionalisation and internal
convergence**

CDG Direct payments and greening
11 September 2020

#FutureofCAP



Basic eligibility criteria for income support – general principles of the NDM

- From detailed rules set at EU level in the basic act and delegated acts, to framework definitions within which MS shall set their own definitions
- The role of the Commission is not to add rules (no delegated powers), but rather to verify whether the MS have set definitions in line with general principles of EU law and WTO green-box rules
- The aim of the Commission is to ensure that principles behind granting DP are kept (annuality, farming activity can take place, etc.)

Eligible hectare

Framework definition in CAP post 2020 proposal

➤ Main aim of the legislators:

- More flexibility for MS to adapt to specific conditions
- Continuity for farmers

➤ Main issues raised by the Council and EP:

- Eligibility of landscape features: quality, number and size (agricultural area)
- Impact of GAEC and RD commitments (activity)

Eligible hectare

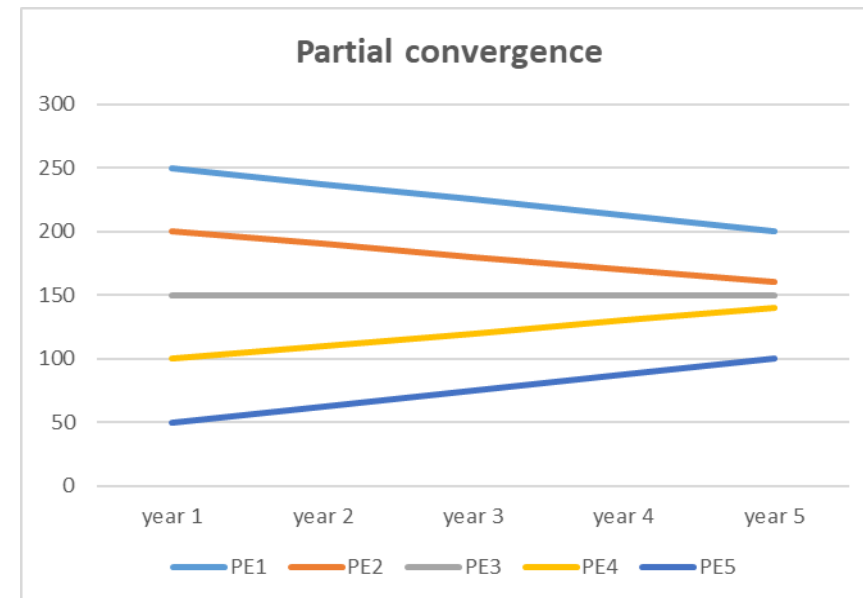
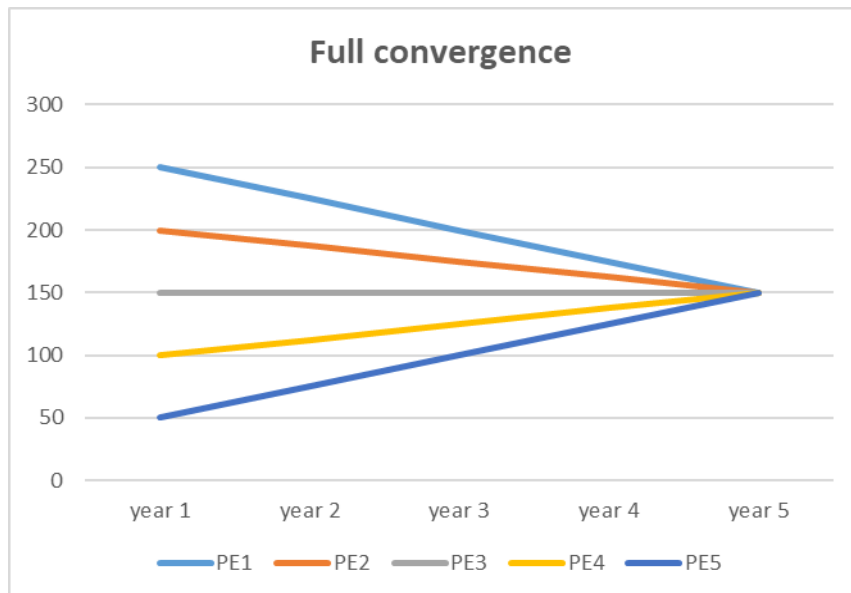
Positions of the co-legislators on the future framework

Council	EP
<ul style="list-style-type: none">- More exceptions and derogations (GAEC 9, eco-schemes, GAEC 2) to avoid conflicts between eligibility conditions and environmental and climate ambition;- Some MS also request explicit derogation for areas used for <u>paludiculture</u> (currently eligible under certain conditions).- Some MS want the above derogations to be optional (not to dilute DP).	<ul style="list-style-type: none">- Prescriptions, mostly regarding the eligibility of non-productive features (already covered by the COM proposal)- For environmental reasons, activity once every 3 years

Internal convergence

➤ Value of Payment Entitlements - Internal convergence

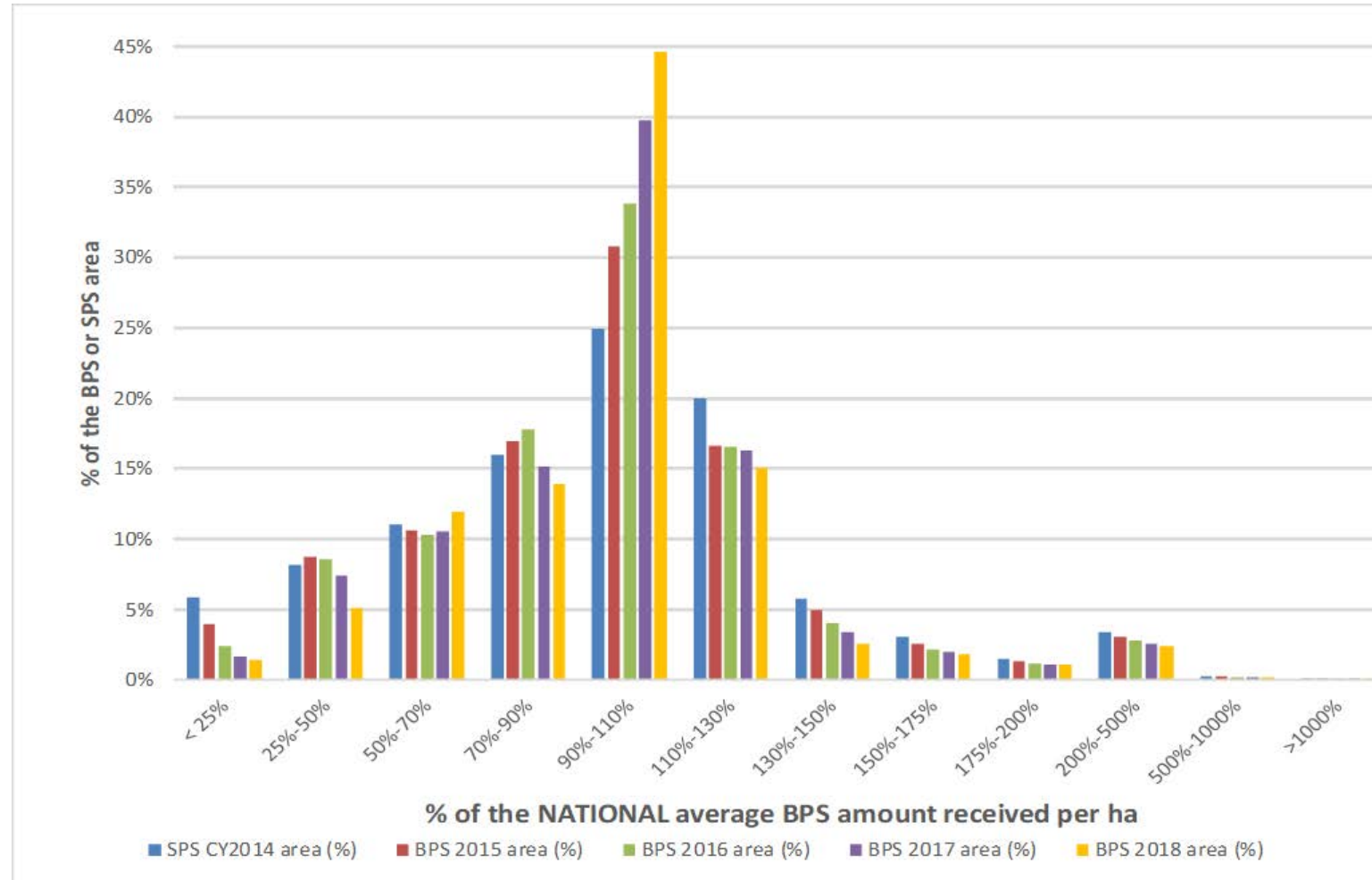
- The rules for convergence under the proposal (Basic Income Support for Sustainability -BISS) are less detailed than the current rules (Basic Income Support –BPS). This fits with the New Delivery Model and should bring simplification for Member States.
- Member States with historical references may decide on the length of the convergence period and the intensity of the **convergence: full or partial**



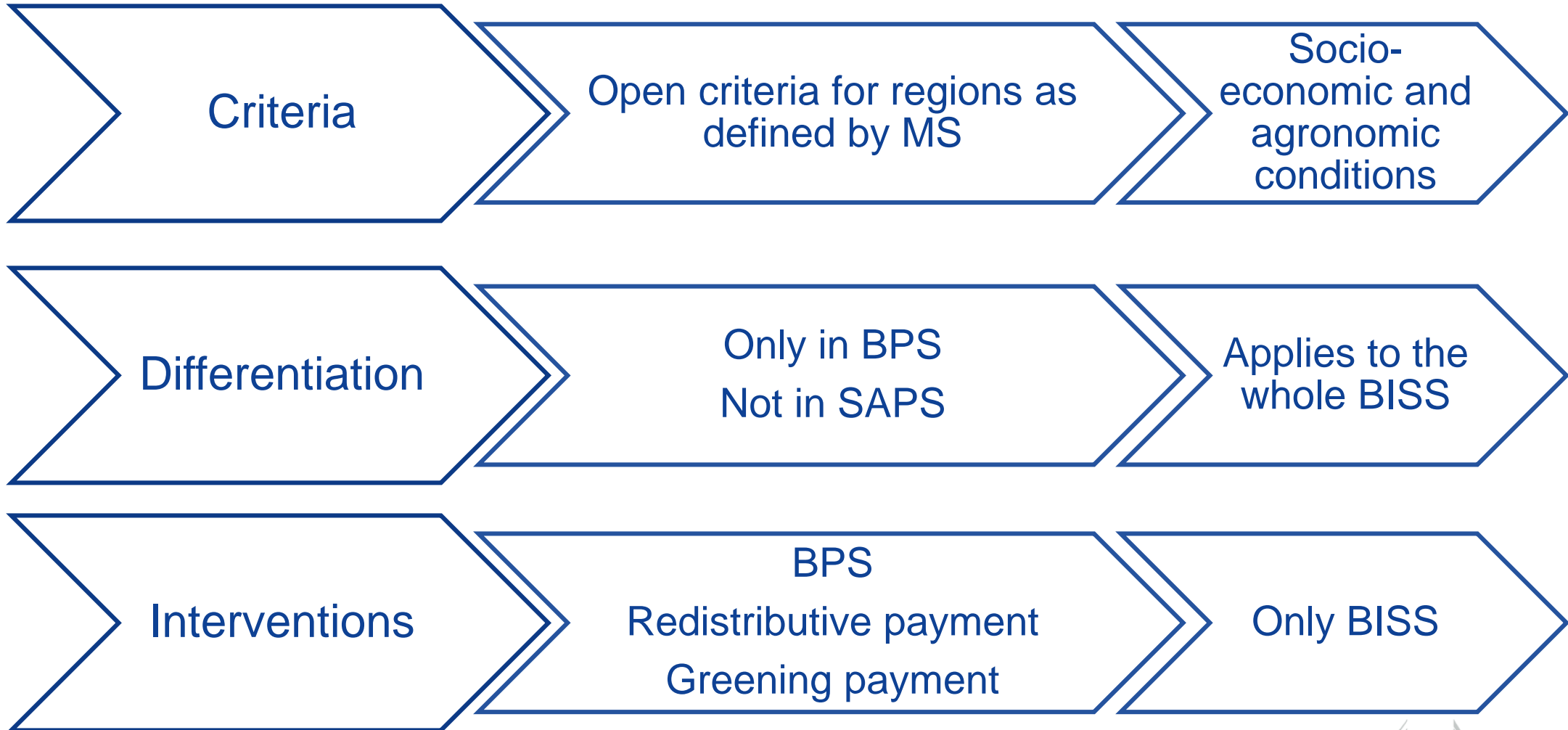
Internal convergence

	CAP post 2020	Current rules
Minimum value	75%	60%
Maximum value	To be set (and justified) by MS	No maximum fixed by EU legislation nor to be set by MS
Convergence target	To be set by MS (beyond the min 75% of avg)	2 options: <ul style="list-style-type: none"> • Full convergence • Partial convergence: on top of min 60% avg - close at least 1/3 of the gap between the initial unit value and the national value for Claim Year (CY) 2019
Steps of convergence	To be determined by MS	5 equal steps for entitlements below average
Financing of increase	At first: reduction of Payment Entitlement (PE) value to the maximum value If not sufficient: reduction of all or part of PE above average based on objective and non-discriminatory criteria ! PE may not be decreased below the average	Reduction of all PE above average

Internal convergence



Territorialisation – what is new?



Territorialisation in post-2020

- Basic Income Support for Sustainability (BISS) support may be differentiated between groups of territories based on differences in either socio-economic or agronomic conditions.
- The groups of territories may be defined as a continuous spatial entity or as mosaics.
- In principle, the criteria for the groups of territories should be area-related and not farmer-related.
- The definition of different groups of territories with different levels of income support needs to emerge from the SWOT and the needs' assessment.
- Compliance with WTO green-box is a must.

CAP reform – co-legislative process

- European Parliament – former COMAGRI proposal: obligation for MS to implement full (100%) internal convergence by Claim Year 2026.
 - In Member States applying BPS, internal convergence has been applied as of 2015 with a minimum objective to be reached by 2019. Commission proposal for CAP post-2020 aims at **more ambitious** convergence.
 - **Partial convergence** can be justified in some cases, based on the SWOT & assessment of needs, along with the New Delivery Model, in order to avoid excessively sudden changes disrupting significantly farming activities.
 - In post-2020 period, internal convergence would concern only those MS opting for keeping the system based on entitlements. All MS have an option for granting area based income support as a **uniform amount per hectare without entitlements**.