
Internal convergence and regionalisation: a not so common CAP

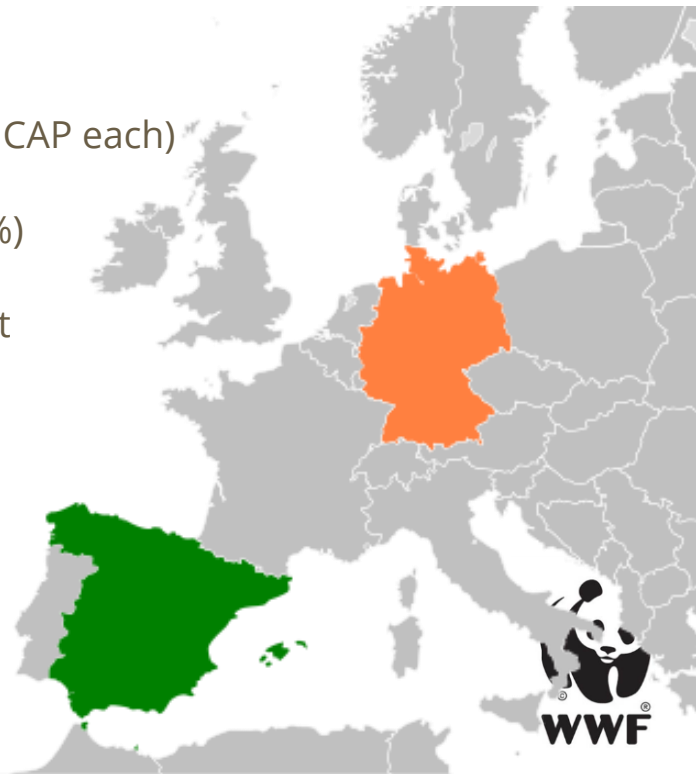
— Jabier Ruiz, WWF-EPO —

CDG Direct Payments and Greening – 11 September 2020



Spanish case study -during German EU Presidency

- Two countries with a very similar CAP!
 - Budget: €6.19bn in DE, €6.08 in ES (approx. 11% of the CAP each)
 - Pillar distribution: same share for P1 (81%) and P2 (19%)
 - Regional administrations managing Rural Development
- Two countries with a very dissimilar CAP too!!!
 - The use of coupled support
 - How uncoupled income support is distributed



Very different models of internal convergence...

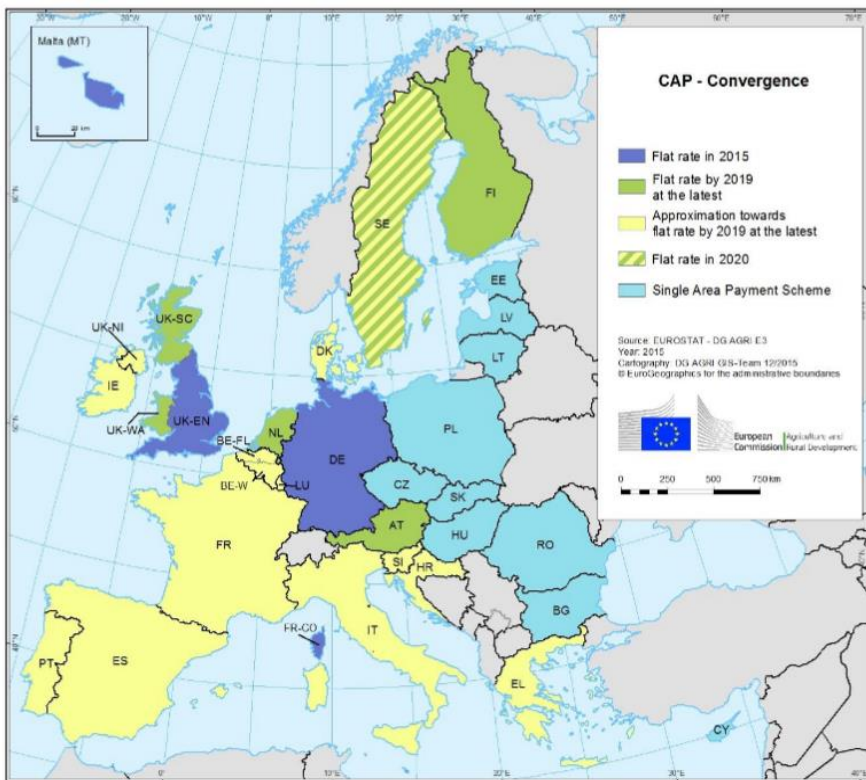


Table 1 – Average 2015 Values of BPS payment entitlements

Member State	Region	BPS-Regions	Average 2015 value of a BPS entitlement (euro) ¹⁾	Share of BPS in EU direct payments (%)
Belgium	Flanders	1	235	59
	Wallonia	1	122	32
Denmark		1	201	62
Germany		13 ²⁾	155 - 192	60
Ireland		1	183	68
Greece		3	258 / 314 / 386	63
Spain		50	60 - 1 430	58
France		2	135 ³⁾ / 144	47
Croatia		1	79	61
Italy		1	229	60
Luxembourg		1	185	68
Malta		1	76	13
Netherlands		1	289	67
Austria		1	200	68
Portugal		1	99	49
Slovenia		1	165	54
Finland		2	110 / 126	51
Sweden		1	127	55
United Kingdom	England	3	45 / 170 / 172	68
	Northern Ireland	1	235	68
	Scotland	3	14 ³⁾ / 51 ³⁾ / 141 ³⁾	60
	Wales	1	121	58

The peculiar case of the Spanish model

- Entitlements: average basic payment per hectare of €145/ha, over 19 Mha of farmland, but this is hiding huge differences (71% below - 29% above).
- Some farms may be receiving less than €50/ha (mainly pastures), and others more than €500/ha (some permanent crops and irrigated areas).
- 50 basic payment regions created in the last reform of the CAP, mainly to maintain the value of entitlements in line with historic references.
- Internal convergence operates only within regions: limited changes in value of entitlements, not any closer to national average.



The peculiar case of the Spanish model



BOLETÍN OFICIAL DEL ESTADO



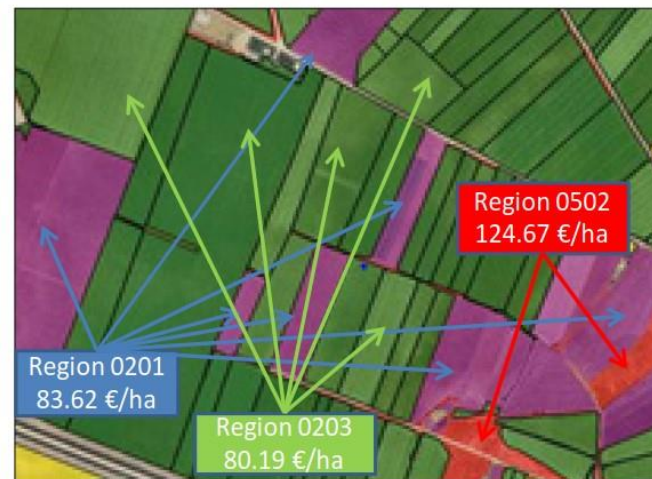
Núm. 268

Sábado 5 de noviembre de 2016

Sec. I. Pág. 76899

Región	Valor medio regional					N.º derechos máximos
	2015	2016	2017	2018	2019	
1501	252,52	252,99	253,78	254,47	255,17	208.783,19
1601	270,73	271,24	272,08	272,82	273,57	328.511,76
1701	318,28	318,87	319,86	320,74	321,62	212.285,79
1801	332,17	332,79	333,82	334,73	335,65	46.501,25
1901	349,06	349,71	350,79	351,75	352,72	5.795,67
2001	398,37	399,11	400,34	401,45	402,55	69.769,63
2101	446,70	447,53	448,91	450,15	451,38	107.359,56
2201	501,82	502,75	504,30	505,69	507,08	246.589,03
2301	590,03	591,13	592,95	594,58	596,22	27.437,01
2401	1415,82	1418,45	1422,84	1426,75	1430,66	15.678,14
102	113,69	113,91	114,26	114,57	114,89	45.615,39
202	92,81	92,99	93,27	93,53	93,79	53.287,11
302	105,89	106,08	106,41	106,70	107,00	65.150,52
402	109,50	109,70	110,04	110,34	110,64	217.997,39
502	124,67	124,90	125,28	125,63	125,97	132.619,25
602	136,07	136,32	136,74	137,12	137,49	255.729,31
702	136,21	136,47	136,89	137,27	137,64	382.597,75
802	165,18	165,49	166,00	166,46	166,91	678.142,91
902	205,47	205,85	206,49	207,06	207,62	67.531,73

Figure 6 – Complex regional BPS implementation in Spain



Source: European Court of Auditors based on data from the Spanish authorities (FEGA).



The peculiar case of the Spanish model

- The differences within one single “agricultural county” can be as high as ten fold (e.g., Campo Níjar y Bajo Andarax).
- Permanent crops: neighbouring “basic payment regions” in Jaen, Cordoba and Granada, for instance, averages ranging from 300 to 500 €/ha.
- Permanent grasslands: 98% of entitlements are under national average, and only 4.25 million entitlements (and 18.8 Mha of pastures in LPIS!).
- Full details in [this article available online](#).



Ways forward for distributing basic income support

- Tighter EU framework to allow some flexibility, but also ensure a more equitable and level playing field for farmers.
 - Limit the number of regions, or the spread of payments, from instance from 10:1 to 5:1. In Spain (range reduced to 85-425 €/ha), it would benefit 5.1 Mha (grasslands and arable land) at the expense of 0.5 Mha (irrigated arable and permanent crops in the south)
- Reduce the size of the problem (*incl. the regional, sectoral and individual interest to keep the status quo*) by shifting money to other interventions.
- Use environmental payments and other CAP support temporarily to ease the transition.

Internal convergence and regionalisation: a not so common CAP

— Jabier Ruiz, WWF-EPO —

CDG Direct Payments and Greening – 11 September 2020

