



# COMMON AGRICULTURAL POLICY

post-2020

## SIMPLIFICATION AND MODERNISATION

#FutureofCAP



# Outline

1. The big picture:
  - Multiple demands
  - Rethinking the governance/subsidiarity
2. Simplification
  - The path of simplification
  - A simplified EU framework
  - Examples
3. A new partnership

# MULTIPLE DEMANDS TO THE NEW CAP

## SIMPLIFICATION



**Reduce**  
administrative  
burden

## PERFORMANCE BASED SYSTEM



**Ensure**  
policy results

## BETTER TARGETING



Rules with  
better **links to**  
**local realities**

## KEEP STRONG COMMON ELEMENTS



**Keep** a level  
playing field

**Enhanced** ambition

# **SUBSIDIARITY** RETHINKING THE GOVERNANCE



# SUBSIDIARITY RETHINKING THE GOVERNANCE

Rules at  
EU Level



Rules at  
MS Level



To maintain

- Common nature
- level-playing field
- EU added value



- Flexible
- Needs based
- Better targeted
- More transparent
- Closer to farmers reality

Fewer RULES

# THE PATH OF SIMPLIFICATION



# THE PATH OF SIMPLIFICATION

*"Simplification: one of the **core priorities** of my mandate "*

2014 beginning of my mandate. Commission set **simplification as clear priority**  
- first wave of proposals

**CMO Lisbon alignment:**  
- reduce regulations from more than 200 to 40.  
- automated notifications: number of notifications decreased by 60 %.

**Greening review:**  
14 amendments on crop diversification and EFA requirements

**Omnibus:**  
simplification elements on DP, RD and CMO

**67 simplification proposals** (Spring 2017)  
Some already addressed, 2/3 covered in the new CAP

**THE NEW CAP**



An aerial photograph of a rural landscape featuring rolling green hills, patches of forest, and a few small buildings. The sky is bright blue with scattered white clouds. The text 'STREAMLINED REQUIREMENTS' is overlaid in the center in a bold, white, sans-serif font.

# STREAMLINED REQUIREMENTS



# STREAMLINED REQUIREMENTS FOR ENVIRONMENTAL AND CLIMATE ACTION

## CROP ROTATION

only 1 requirement is kept at EU level

### CURRENT CAP

*Crop diversification under greening*

- ✓ Definition of crops based on the botanical classification (Genus)
- ✓ Between 10 and 30 ha: minimum 2 crops
- ✓ Beyond 30 ha: minimum 3 crops
- ✓ Maximum share of the main crop: 75%
- ✓ Maximum share of the two main crops: 95%

### FUTURE CAP

*Crop rotation under conditionality*

- ✓ Crop rotation based on needs
- ✗
- ✗
- ✗
- ✗

Member States will have the opportunity to **define crop rotation requirements that are better adapted** to farming systems whilst aiming for a high level of ambition for environment and climate

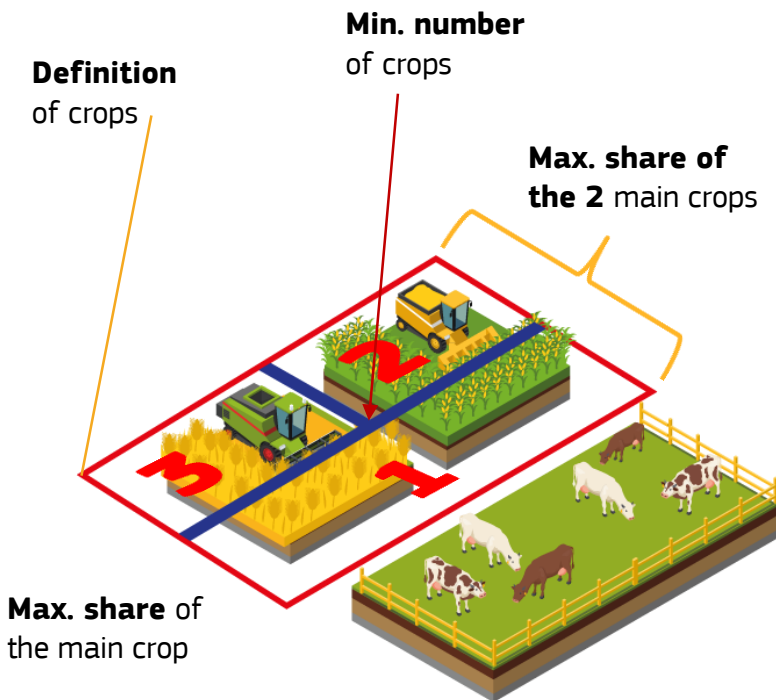


# Example – Crop rotation

## CURRENT CAP

### *Crop diversification under **greening***

All criteria set at **EU level**:



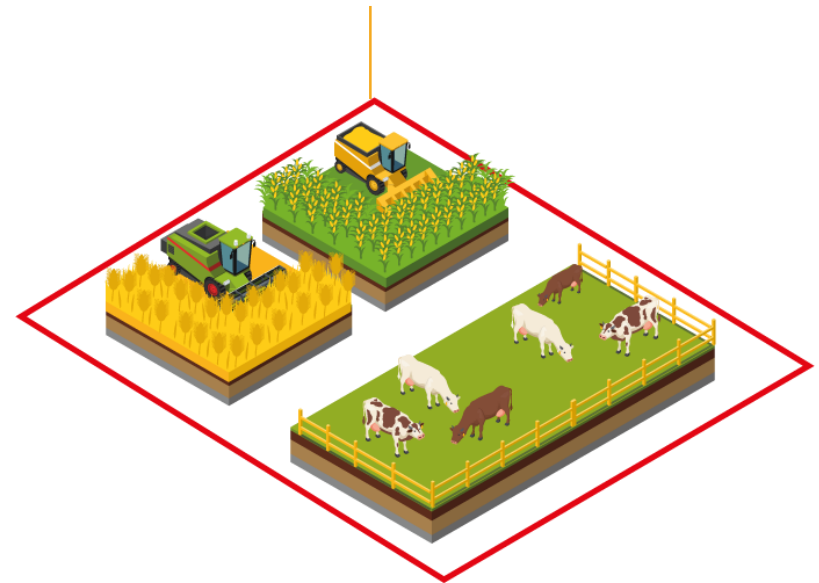
These criteria **do not match** all farming situations  
➔ various exemptions with specific conditions

## FUTURE CAP

### *Crop rotation under **conditionality***

All criteria set at **national or regional level**,  
no more EU criteria:

**Up to the MS** to set the specific criteria to  
meet the objective of crop rotation taking  
into account local conditions



# STREAMLINED REQUIREMENTS FOR ENVIRONMENTAL AND CLIMATE ACTION

## Ecological focus area (EFA)

### CURRENT CAP

Part of features or areas exceeding the maximum dimensions cannot be qualified as ecological focus area (EFA), to ensure that the area in question is predominantly agricultural.

For instance, only the first 10 metres width of hedges or the first 20 metres width of field margins can be qualified as EFA

### FUTURE CAP

Under the new conditionality, there will be **no more maximum dimensions set at EU level** for qualifying the non-productive features or areas.

Rules that could be needed to ensure that these non-productive features or areas are predominantly agricultural will be defined, if necessary, by MS taking into account local conditions.



# REDUCTION OF REQUIREMENTS

## YOUNG FARMERS direct support

### CURRENT CAP

- ✓ Compulsory payment ———→
- ✓ Different definition from pillar 2 ———→

- ✓ Payment per hectare
- ✓ Strict calculation method
- ✓ Maximum number hectares
- ✓ Maximum age of young farmers
- ✓ For young farmers newly set-up
- ✓ Prescriptive rules on 'newly set-up'
- ✓ Number of years of support (5 years)
- ✓ Rules on access on legal persons
- ✓ Maximum share of DP envelope

### FUTURE CAP

- ✓ Optional according to needs
- ✓ Common definition across pillars

- ✓ Payment per hectare
- ✗
- ✗
- ✓ Maximum age of young farmers
- ✓ For young farmers newly set-up
- ✗
- ✗
- ✓ Conditions for head of holding
- ✗
- ✓ **NEW** Training requirements

Member States will have the opportunity to **target the needs of young farmers** on their territory and decide which, **if any**, of the requirements which are no longer being applied at EU level they consider relevant

# REDUCTION OF REQUIREMENTS INSTALLATION OF YOUNG FARMERS

## CURRENT CAP

- ✓ Training requirements
- ✓ Maximum age of a Young Farmer
- ✓ Size of farm
- ✓ Have a Business Plan
- ✓ Specific content of the Business Plan
- ✓ Initial situation of the holding
- ✓ Duration of Business Plan
- ✓ When to start Business Plan
- ✓ Milestones/targets in business plan
- ✓ Requirements as head of holding
- ✓ Conditions for control of holding
- ✓ Conditions if legal entity
- ✓ Lumpsum with upper limit
- ✓ Number of payments to be made
- ✓ Period of grace to comply with requirements

## FUTURE CAP

- ✓ Training requirements
- ✓ Maximum age of a Young Farmer
- ✗
- ✓ Have a Business Plan
- ✗
- ✗
- ✗
- ✗
- ✗
- ✗
- ✓ Requirements as head of holding
- ✗
- ✗
- ✓ Lumpsum with upper limit
- ✗
- ✗

Member States will have the opportunity to **target the needs of young farmers** on their territory and decide which, **if any**, of the requirements which are no longer being applied at EU level they consider relevant



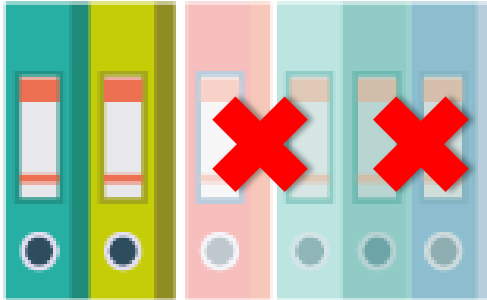
# REDUCTION OF ELIGIBILITY CRITERIA

**INVESTMENTS**  
only 7 out of 13

- ✓ No purchase of production rights, animals, and annual plants
- ✓ Limitation concerning irrigation (streamlined for the future)
- ✓ Purchase of land not eligible (with some exceptions)
- ✓ Rules to ensure sustainable forest management
- ✓ Interest rate on debt not eligible (with exceptions)
- ✓ **NEW** Single support rate of 75% for productive investments
- ✓ **NEW** Possibility of higher support rate for non-productive investment, basic services and forest-related investments
- ✗ Specification of types of operations (sub-measures)
- ✗ List of target groups
- ✗ Specification of certain support rate top-ups
- ✗ Definition of eligible expenditure related to investments
- ✗ Rules for leasing operations
- ✗ Rules for investments in prevention and restoration related to natural disasters and catastrophic events

*Member States will have the opportunity to **target the needs of farmers** on their territory and decide which, **if any**, of the requirements which are no longer being applied at EU level they consider relevant*

# WE OFFER THE **POSSIBILITY TO END PAYMENTS ENTITLEMENTS**



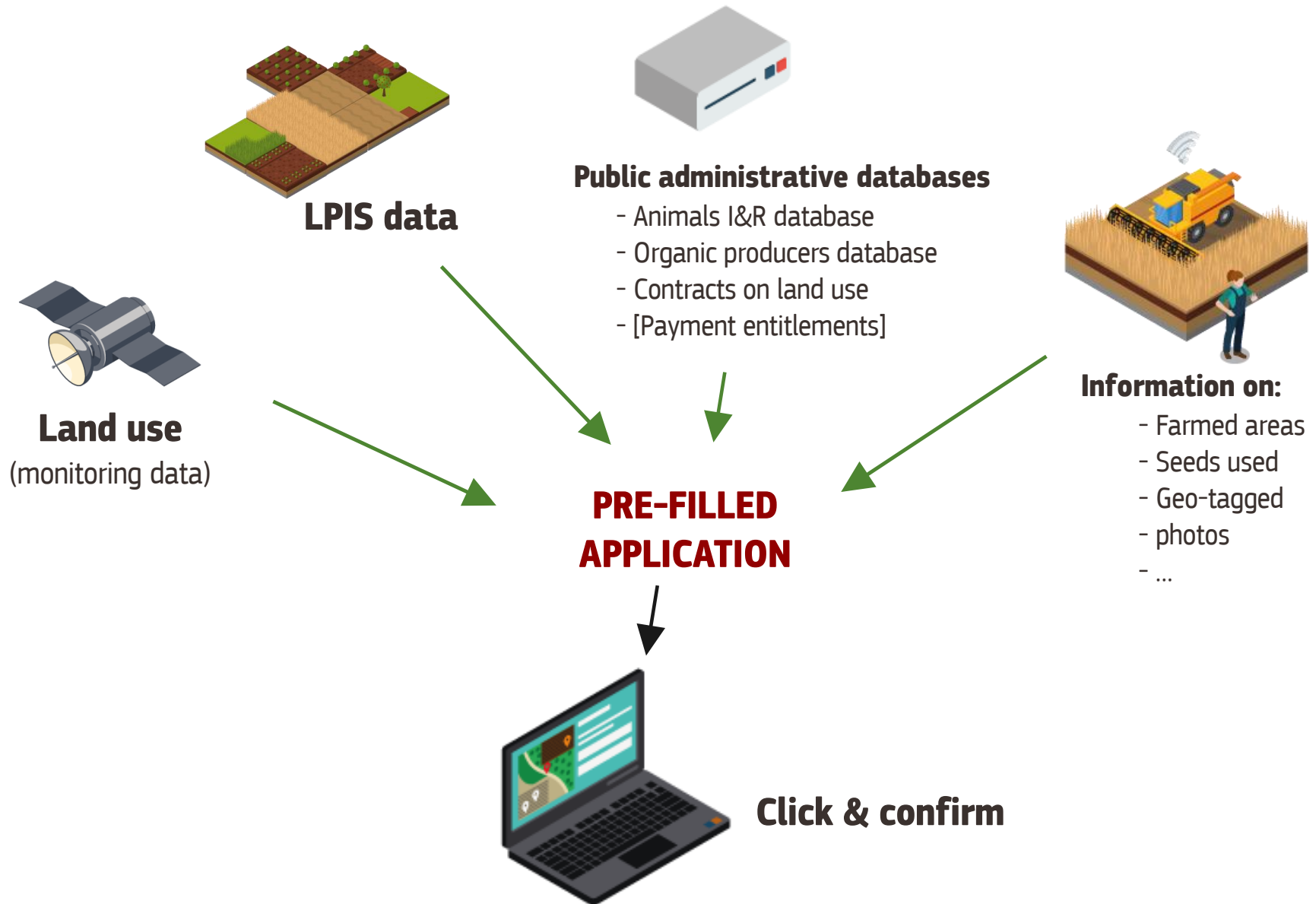
- Member States that currently use the Basic Payment Scheme may end the use of entitlements.
- The removal of entitlements will be an **important source of reduction of administrative burden. Not just for farmers, but also for your administrations.**



# **FLEXIBILITY ON CONTROLS AND PENALTIES**



# GENUINE SIMPLIFICATION FOR FARMER'S **POST-2020**



# FLEXIBILITY ON CONTROLS AND PENALTIES

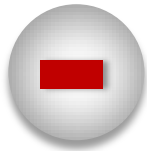


Member States will be able to design their own **control and penalty system**, including making decisions about control methods and levels, types and design of penalties etc.

Member States will be required to operate a **geo-spatial application**.

This flexibility together with the future scope for Member States to design their own interventions as regards eligibility conditions and various definitions is expected to result in a support set-up much more customised to the individual MS and its farmers, thus reducing the administrative burden and in all likelihood the control pressure on farmers but maintaining the level-playing field through common principles at EU level.

# SIMPLIFIED REPORTING, **FEWER INDICATORS**

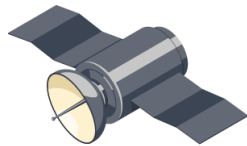


- **Keep common indicators** in line with common objectives **but limited number (40% less)**

**Only 1**



- Simplified reporting: a **single Annual Performance Report** for the financial assurance and performance



- **Use of technologies** for monitoring

# A STREAMLINED CAP PLAN



# A STREAMLINED CAP PLAN

**Three** different administrative processes **will be integrated into a single one.**

- Single strategic approach based on a needs assessment
- Ensuring level-playing field and legal certainty

- **26** Direct Payments notifications per MS
- **118** rural development programmes
- **65** sectorial strategies



**27** CAP plans

# A SIMPLER EU FRAMEWORK

**01**



**PLANNING**

Streamlined  
CAP plan

**02**



**POLICY  
IMPLEMENTATION**

Potential for simpler  
requirements


**03**



**ASSURANCE**

General rules on  
controls, audit  
and penalties

**04**



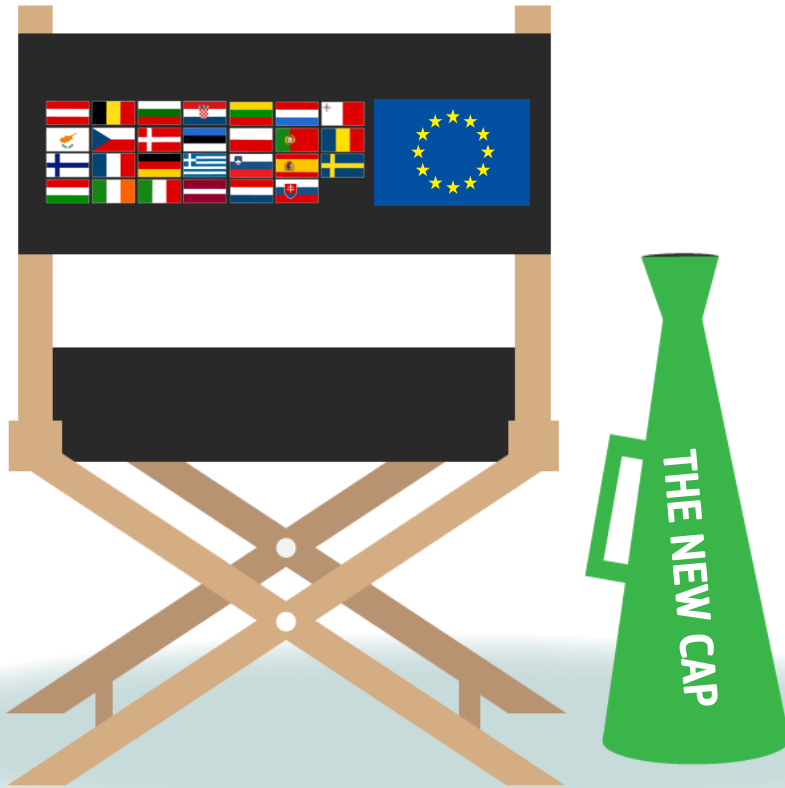
**PERFORMANCE  
evaluation**

Streamlined  
reporting  
fewer indicators



More **flexibility**, **fewer** rules ...





- **Shared responsibilities** to meet **common objectives**
- **Not a simple shift in responsibilities:** Commission also has new role; it is **an opportunity for MS**
- **You are not alone:** Commission stands ready to help
- **We don't start from scratch:** your experience + technologies already on the ground

**LET'S MAKE THE BEST OUT OF  
THE NEW CAP BASED ON A NEW PARTNERSHIP**



# **WORKING TOGETHER**

## FOR A SIMPLER AND MODERN CAP





**THANK YOU!**