

COMMON AGRICULTURAL POLICY

post-2020

The future green architecture and direct payments

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#FutureofCAP

Disclaimer:

This presentation is only intended to facilitate the understanding of the draft Regulation on support for strategic plans under the CAP.

It does not constitute any preparatory work for a draft Implementing Act and does not anticipate any content of such an act.

It has no interpretative value.

I. The new context: New Delivery Model

- **New delivery model:** new governance that relies on more subsidiarity to rebalance the roles of all the actors.
- **CAP objectives:** environment and climate (incl. biodiversity) strongly present
- **"Whole CAP" approach:** conditionality details + environment-relevant Pillar I and Pillar II interventions all planned together in CAP Strategic Plans
- **Links to non-CAP legislation on environment and climate:** CAP plans to take account of analysis, objectives and targets from list of other legislation (incl. environment)

I. The new context: New Delivery Model

Response to the 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

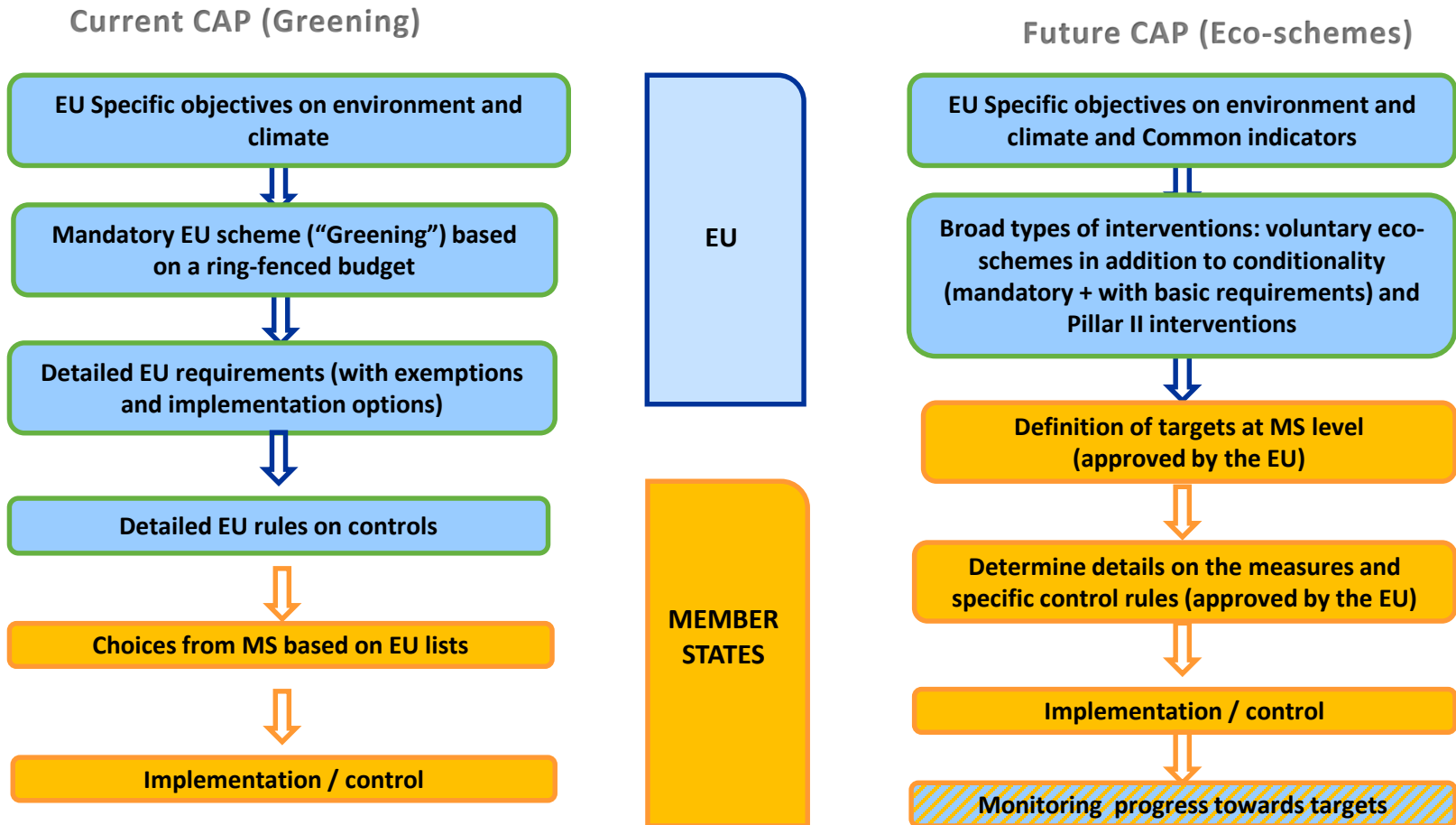


Keep a level
playing field

Enhanced ambition

I. The new context: New Delivery Model

A new partnership



I. The new context: New Delivery Model

CAP general objectives

1. *To foster a smart, resilient and diversified agricultural sector ensuring food security*
2. ***To bolster environmental care and climate action and to contribute to the environment- and climate-related objectives of the Union***
3. *To strengthen the socio-economic fabric of rural areas*

I. The new context: New Delivery Model

CAP Specific objectives on the environment and climate

1. Contribute to ***climate change*** mitigation and adaptation, as well as sustainable energy
2. Foster sustainable development and efficient management of ***natural resources*** such as water, soil and air
3. Contribute to the protection of ***biodiversity***, enhance ***ecosystem services*** and preserve ***habitats and landscapes***

I. The new context: New Delivery Model

A “whole CAP” approach

- **1 CAP strategic plan** per MS covering (inter alia):
 - conditionality
 - Direct payments
 - Support for rural development
- **All elements** must work together to achieve CAP objectives
- **Regional elements** possible in plans
- **Competent authorities for environment & climate** to be effectively involved (Art. 94)
- The CAP strategic plans to be **approved by the Commission**

I. The new context: New Delivery Model

Links to non-CAP legislation

- **List** of legislation concerned in Annex XI of CAP Plan Regulation
- **12 items** listed – including main environmental legislation
- CAP plans must take account of these in:
 - **SWOT analysis** (see Art. 103)
 - **assessment of needs** (Art. 96)
 - **intervention strategy** (Art. 97) – showing how CAP plan will help to achieve targets from the legislation in question

II. The future green architecture of the CAP

- **"No backsliding"**: legal obligation on MS to raise ambition on environment and climate compared to current period
- The **enhanced conditionality** will combine and improve aspects of cross-compliance and "greening"
- **Better toolbox**: including new Pillar I "eco-schemes" and Pillar II instruments
- **Ring-fencing**: MS to spend at least 30% of EAFRD budget on *interventions directly targeted at environment and climate change (ANC payments no longer included)*

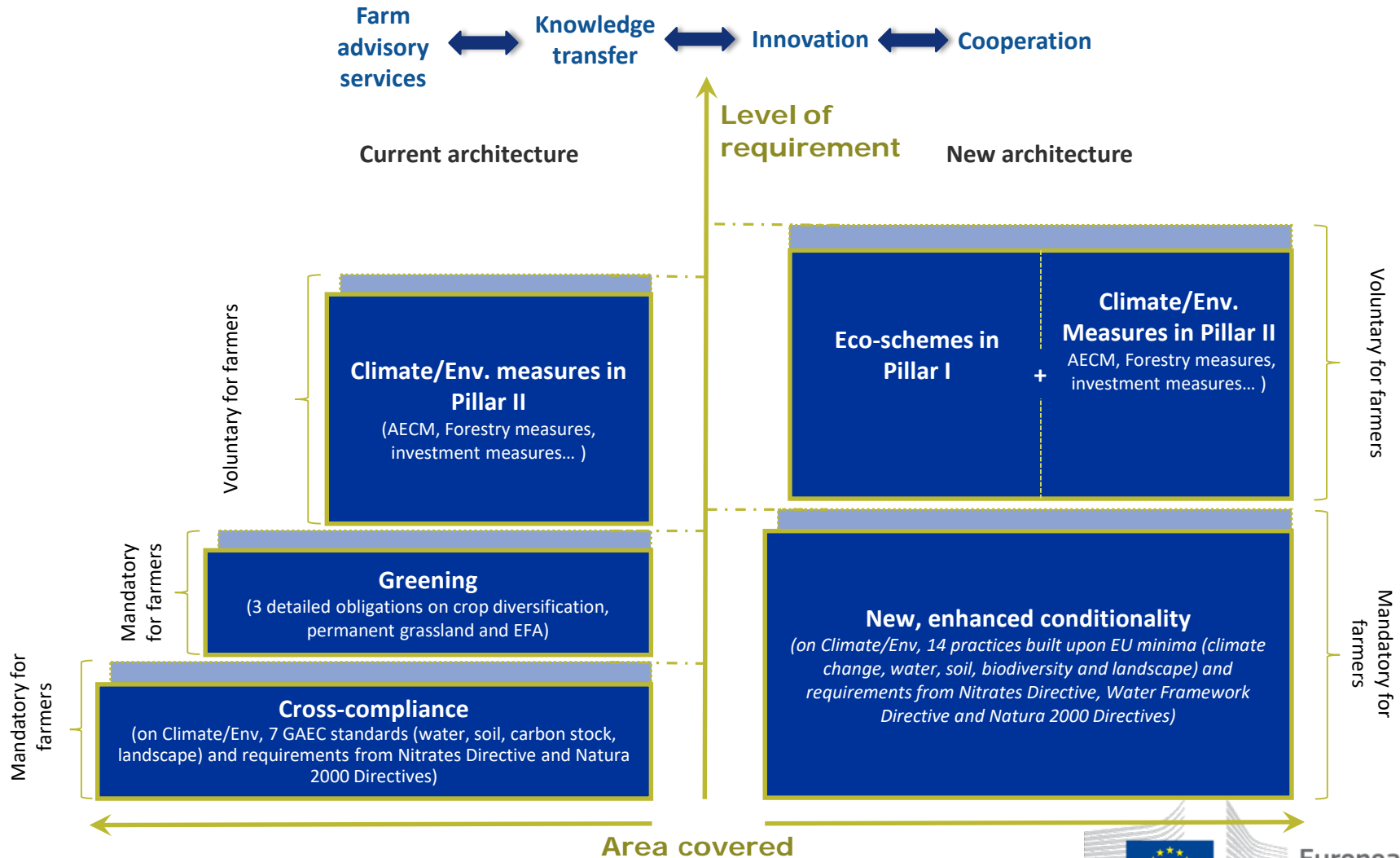
II. The future green architecture of the CAP

"No back-sliding" on environmental and climate ambition

- Art. 92: MS to show **greater ambition** (in CAP plans) with regard to environment & climate in comparison with current period
- No "mechanical" comparison expected, but explanation should refer to elements "such as":
 - SWOT analysis
 - assessment of needs
 - intervention strategy
 - description of elements common to several interventions (including conditionality)
 - description of planned interventions in terms of direct payments, sectoral programmes and support for rural development
 - [description of governance and co-ordination approaches]

II. The future green architecture of the CAP

The new green architecture



II. The future green architecture of the CAP

Enhanced conditionality

Environment and climate

- Birds and Habitats Directives
- **Water Framework Directive**
- Nitrates Directive

GAEC Standards on:

- climate change
- water
- soil
- biodiversity and landscapes

Public, animal and plant health

- Animal Identification & Registration
- Pesticides authorisation Regulation
- **Directive on the sustainable use of pesticides (SUD)**
- Hormones ban Directive
- General Food Law
- **Notification of diseases**

Animal welfare

- Directives for the protection of:
- Calves
 - Pigs
 - Animals kept for farming purposes

Farm advisory services (embedded in AKIS)

- Conditionality
EU legislation on biodiversity, water, air and use of pesticides
Antimicrobial resistance
Risk management
Innovation support

- MS' planned approaches to be approved by Commission

II. The future green architecture of the CAP

Better Toolbox: Pillar II

- **Full range of relevant Pillar II support retained:**
 - Payments for **management commitments** (including agri-environment-climate commitments)
 - Payments to **compensate for constraints** (Water Framework Directive, Natura Directives – also natural constraints*)
 - Support for **investments, knowledge transfer, innovation, co-operation**
- Current measures gathered into **fewer "intervention types"**
- **"Negative list" for investment support** (unsustainable irrigation & forestry)
 - Fewer detailed provisions in EU rules but principles retained

II. The future green architecture of the CAP

Better toolbox: Pillar I “Eco-schemes” (Art. 28)

- **New way** of using Pillar I funding for dedicated schemes for the environment & climate
- **MS must include them in CAP plans**; but **voluntary for farmers**
- MS have **flexibility over content** – but normal rules apply about double funding etc.
- Payments shall be set (WTO green box) as:
 - **Incentive environmental top-ups** to decoupled direct payments (BISS) or/and
 - **Compensation of costs incurred, income foregone**
- **Annual** rather than multi-annual

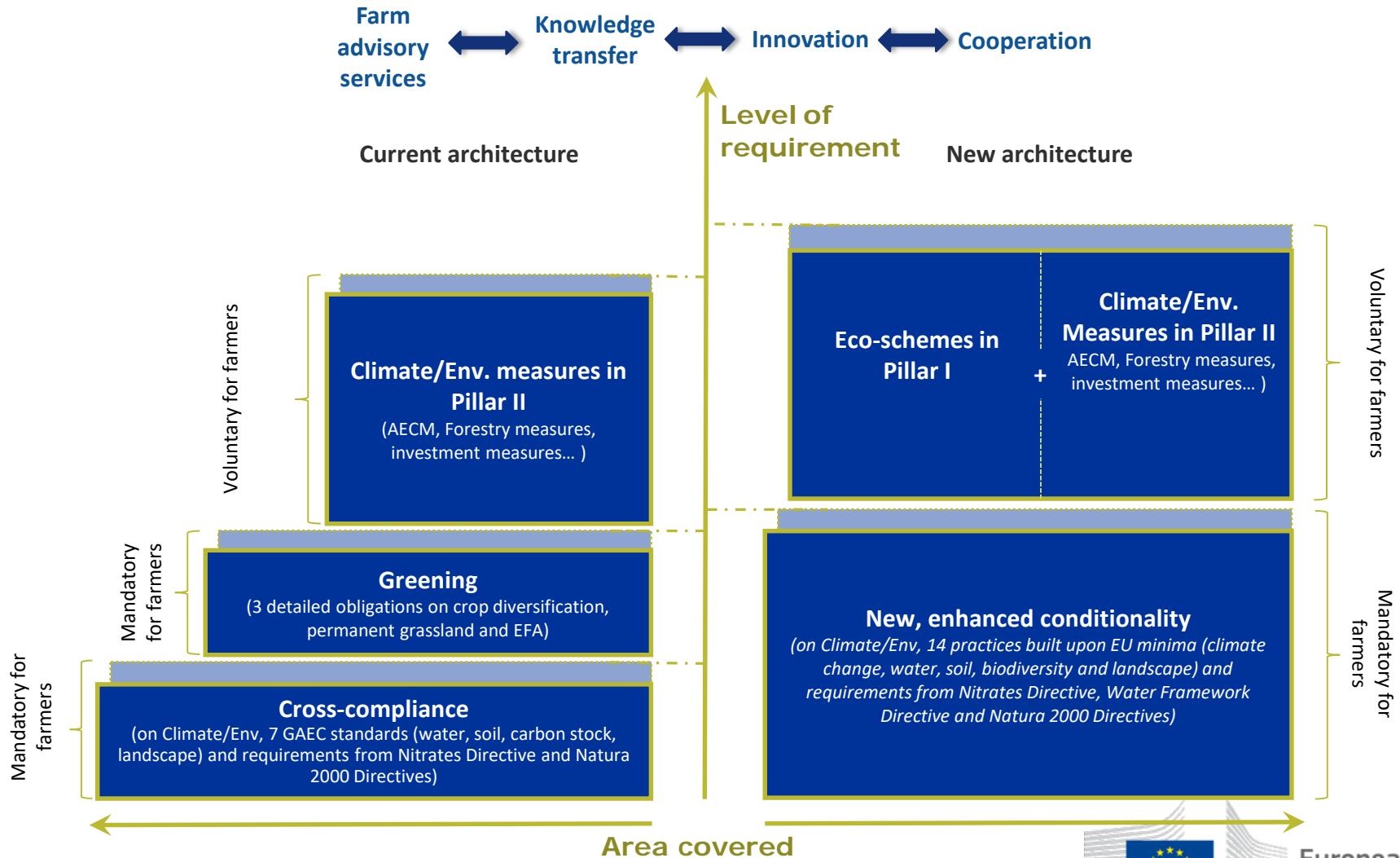
II. The future green architecture of the CAP

Better toolbox: Pillar I “Eco-schemes” (Art. 28)

- To **genuine farmers**, on **hectares eligible for direct payments**
- For commitments covering practices going **beyond the baseline**:
 - Conditionality
 - Minimum requirements for fertilisers, plant protection products, animal welfare and other mandatory requirements established by national and Union law
 - Maintenance activities (ref. definition of agricultural activity)
- ...and "**different from** " and "**consistent with** those financed under rural development.

II. The future green architecture of the CAP

The new green architecture



II. The future green architecture of the CAP

Ring-fencing of spending

- **EAFRD:**

- At least 30% of each MS's EAFRD funding to be spent on interventions addressing the three environment- and climate-related specific objectives
- Spending on areas facing natural constraints (ANCs) will **not** be counted in this total

- **EAGF:**

- No ring-fenced spending (but MS must provide for Pillar I eco-schemes in CAP plans)

THANK YOU!

Further information is available at:

- https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en
- http://ec.europa.eu/budget/mff/index_en.cfm
- https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en