

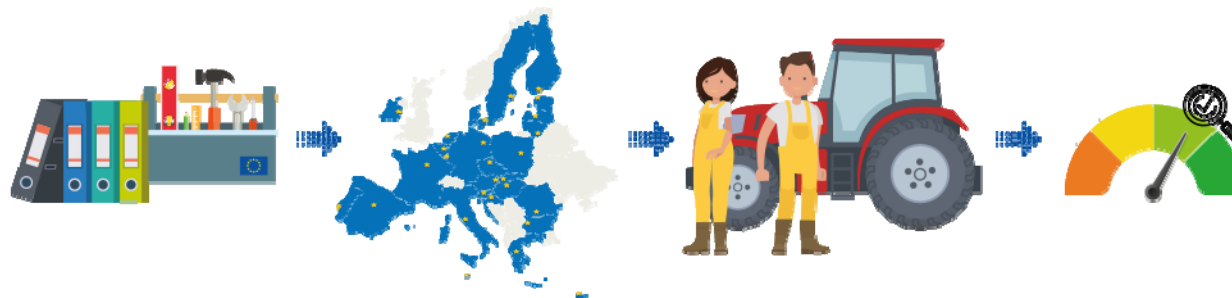
# the CAP after 2020



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



A STRONG BUDGET  
FOR A STRONG CAP



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**#FutureofCAP**



**European  
Commission**



## THE FUTURE CAP PRIORITIES AT A GLANCE

- *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*



## 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*

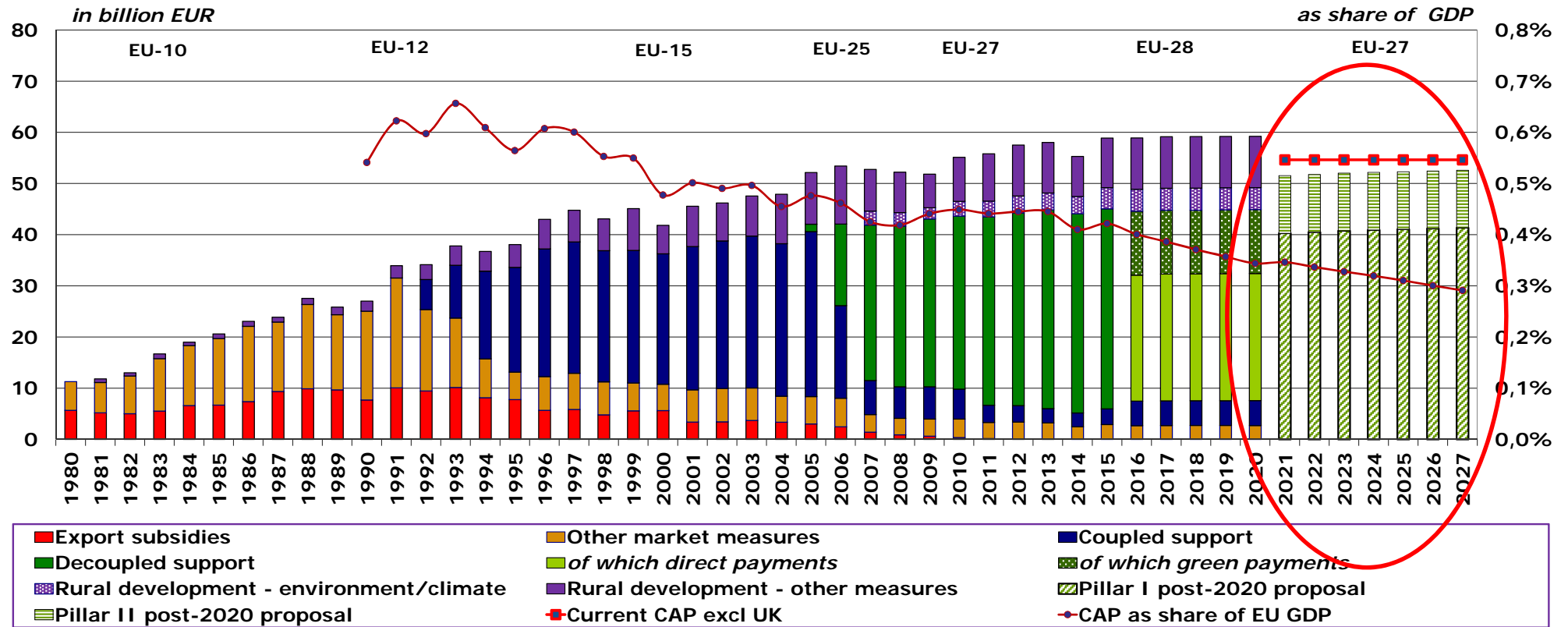
### ***...in a changing broader environment within which the CAP operates***

- *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*





# HOW MUCH: CAP BUDGET IN PERSPECTIVE (current prices)



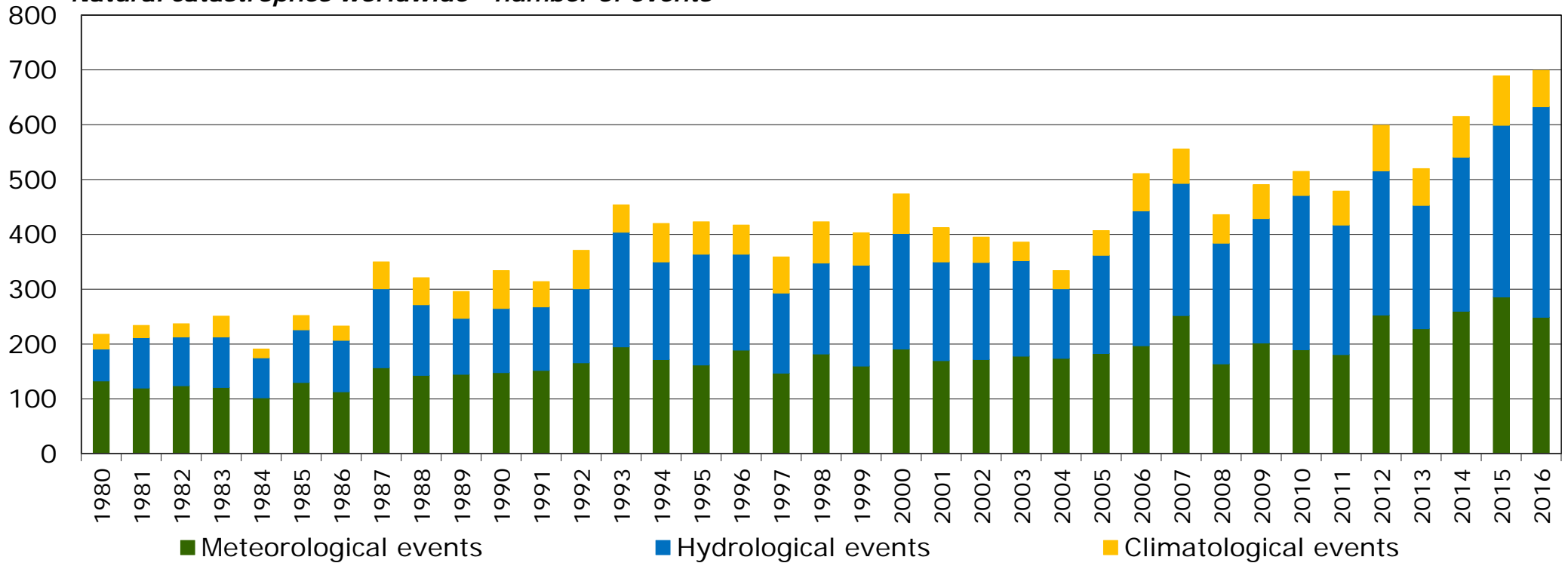
Source: EC-DG AGRI.

Note: Budget figures are actual until budget year 2016, programmed from 2017-2020, and based on the MFF proposal for 2021-2027  
[http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/621864/EPRS\\_BRI\(2018\)621864\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/621864/EPRS_BRI(2018)621864_EN.pdf).



# WORLDWIDE EXTREME WEATHER EVENTS

*Natural catastrophes worldwide - number of events*



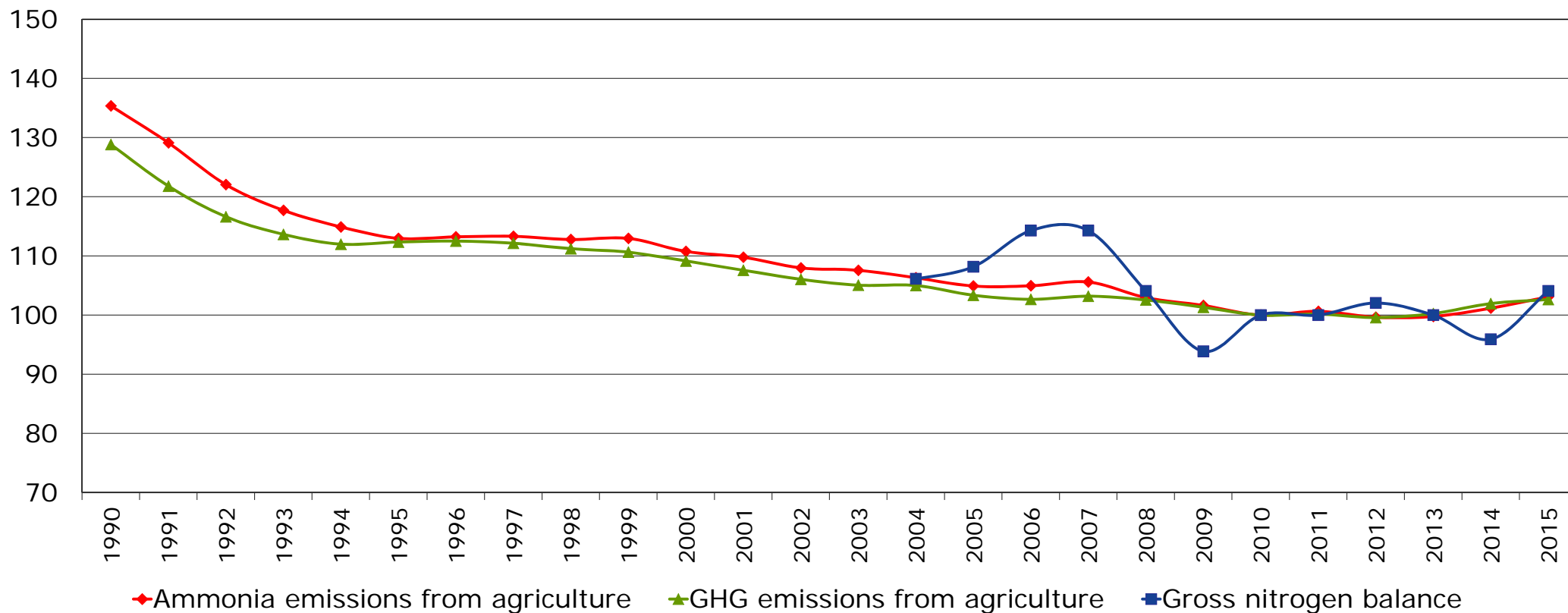
*Meteorological events: Tropical storm, extra-tropical storm, convective storm, local storm*  
*Hydrological events: Flood, mass movement*  
*Climatological events: Extreme temperature, drought, forest fire*

Source: © 2017 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatService (January 2017)



# THE NEED TO DO MORE ON CLIMATE AND ENVIRONMENT

Reduction in environmental impact indicators (2010=100)



Source: Eurostat.





# WHAT FOR: PRIORITIES OF THE FUTURE CAP

## ***Strengthening environment and climate action***

- *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*

## ***Better targeting of support***

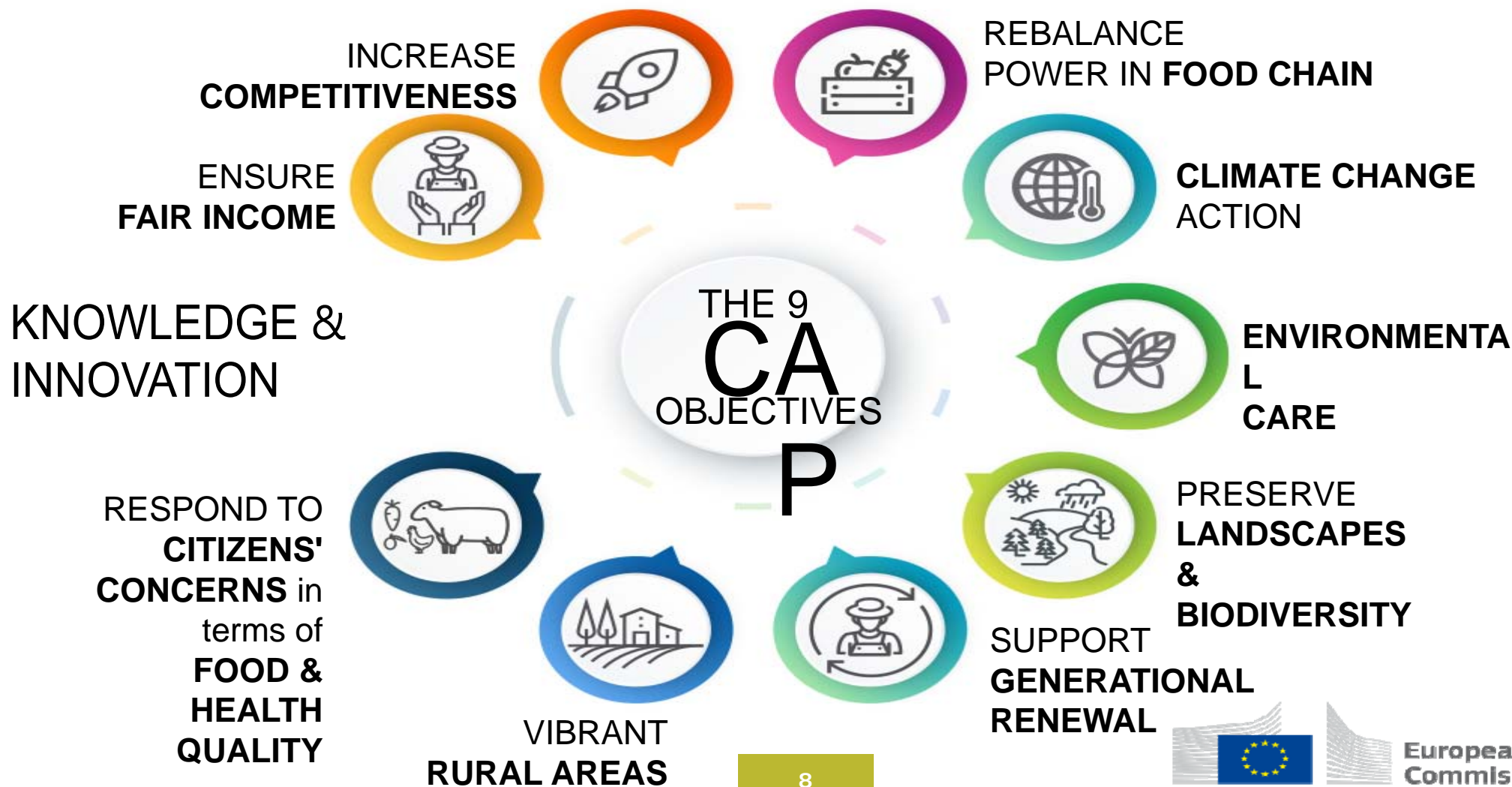
- *DPs provide an important safety net for farm income lagging behind the rest of the economy*
- *Better targeting of income support improved with internal convergence and redistributive payments*
- *Fairer distribution is improved with degressive cuts above 60 000 € and capping at 100 000 €*

## ***Relying more on knowledge, innovation and technology***

- *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*



# THE 9 COMMON OBJECTIVES



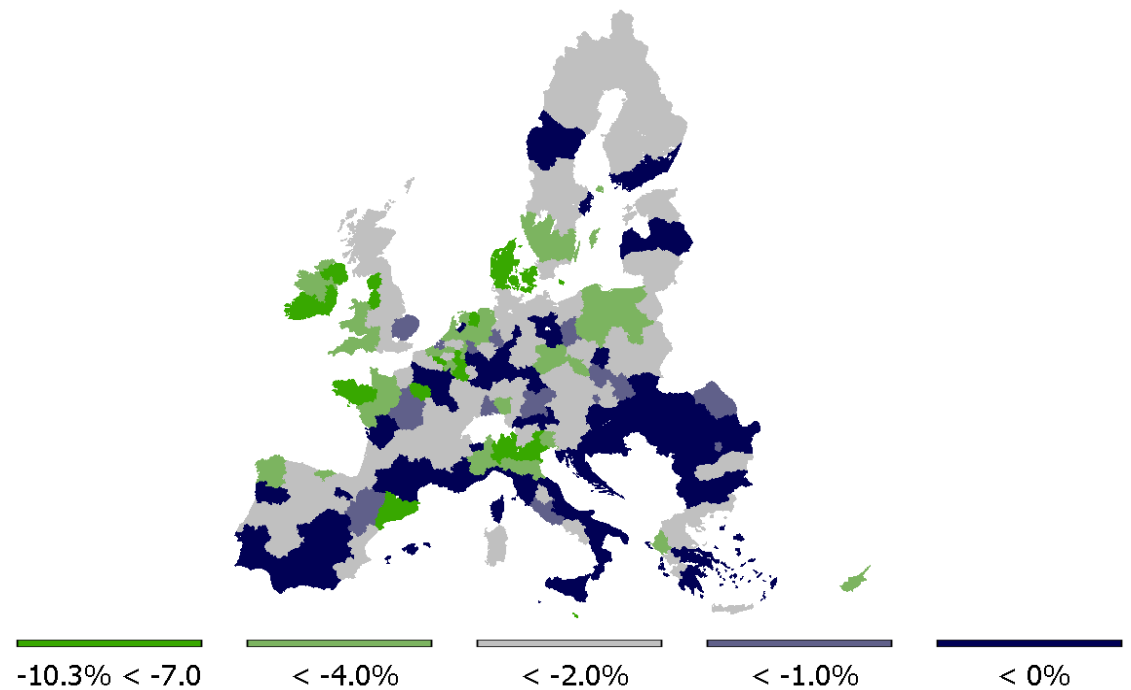




## Improving water quality

- *Focus on N, modelled through reduction targets of the gross nutrient balance*
- *Reduction targets fixed according to actual surplus, lower targets if manure trading takes place*
- *Close to 4% N-surplus reduction on average in the EU in the most constraining scenario*
- *Farmers adopt more N-efficient technologies (like precision farming)*
- *Significant reduction in mineral fertiliser use (with 5% at EU level)*

Reduction in N-surplus per ha of UAA (relative to baseline),  
Most constraining scenario

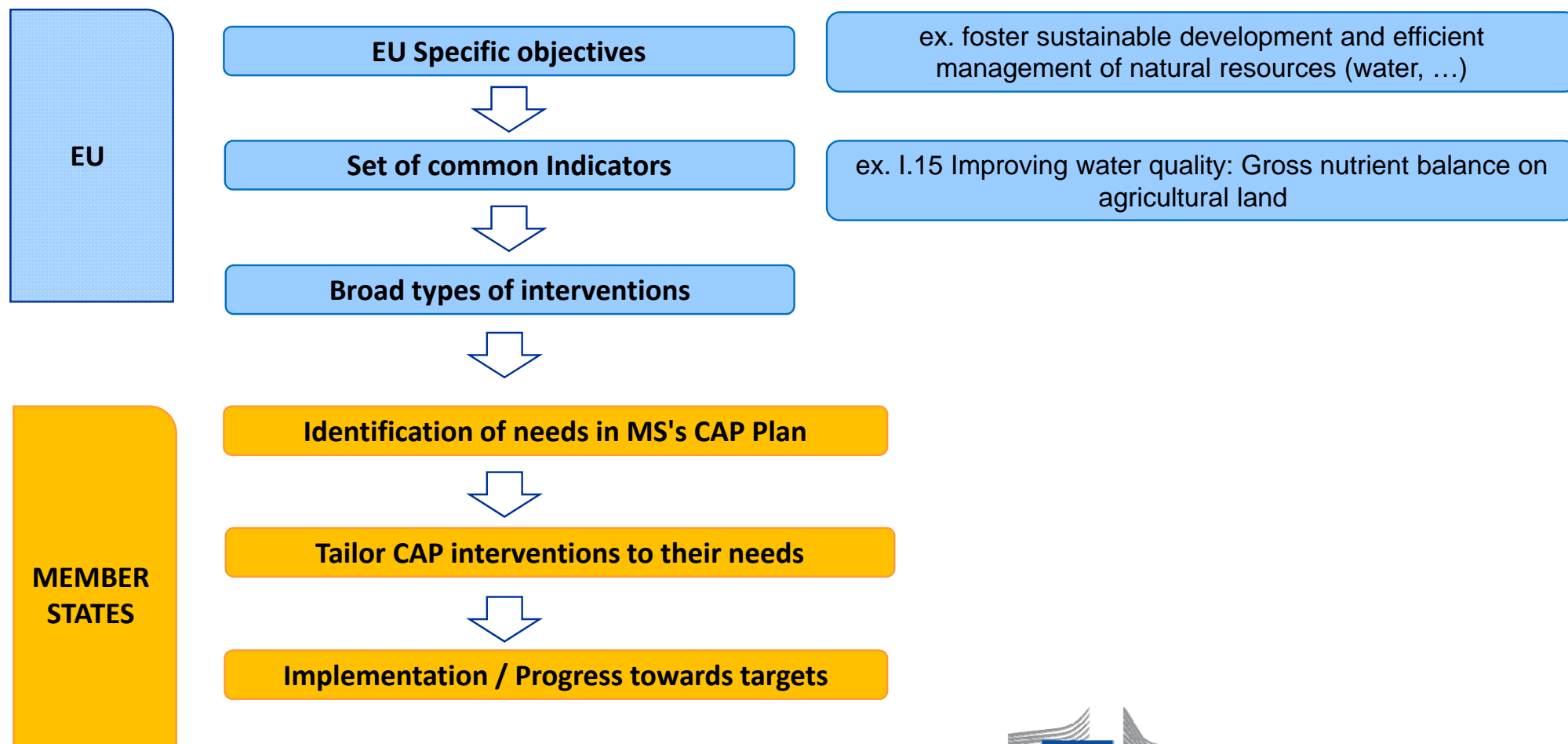


Source: JRC, CAPRI model





# HOW: THE NEW DELIVERY MODEL OF THE CAP





## HOW: FOCUS ON PERFORMANCE

*Multi-annual programming approach for the whole CAP*

*COMMON OBJECTIVES*

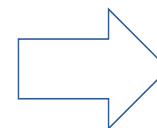
*INDICATORS*

*TYPES OF INTERVENTIONS*

**Assurance**

*Annual Performance Clearance*

Linking expenditure to output

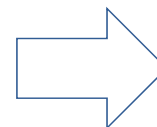


Common Output Indicators

**Monitoring**

*Annual Performance Review*

Checking progress towards targets

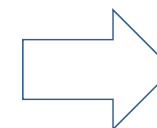


Common Result Indicators

**Policy performance**

*Interim Evaluation*

Assessing performance towards objectives

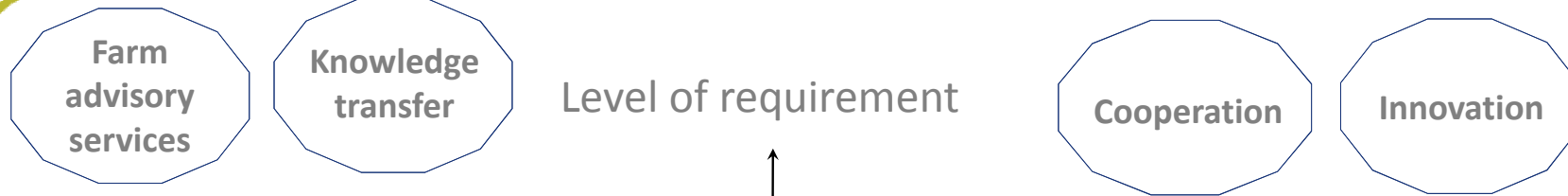
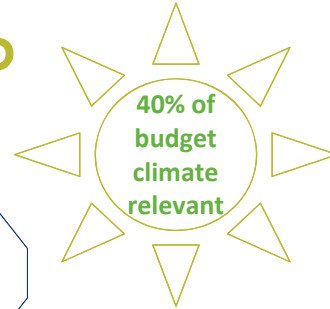


Common Impact Indicators

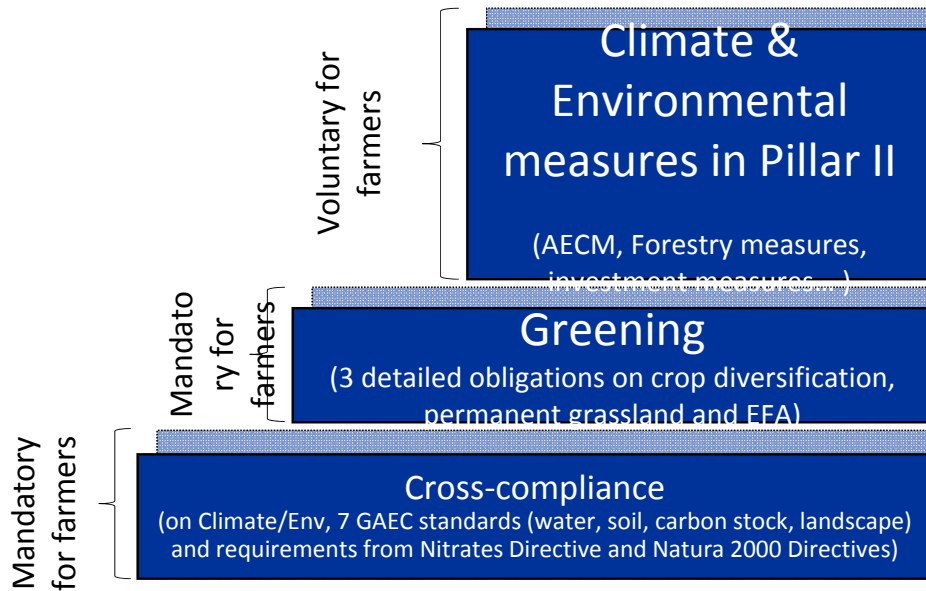




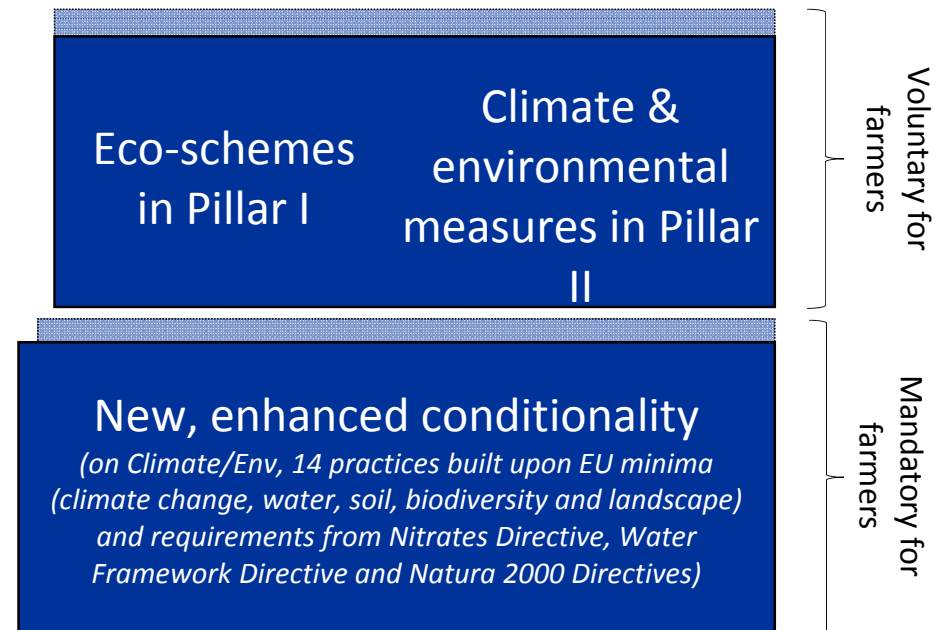
# HOW: THE NEW GREEN ARCHITECTURE OF THE CAP



## Current architecture



## New architecture





## 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 (min 2% of pillar 1 budget)***
- **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*



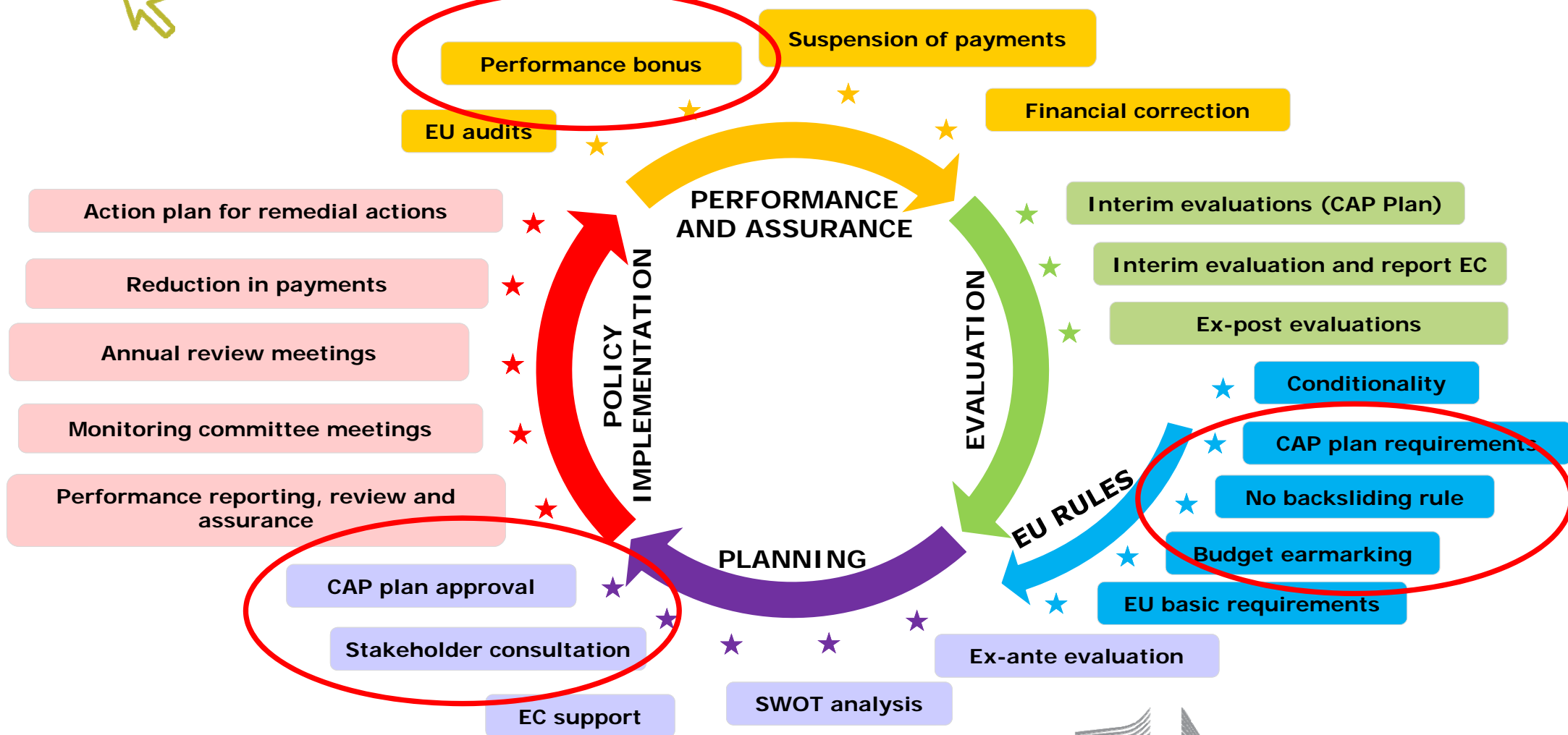


# THE CAP CYCLE: POTENTIAL RISKS





# THE CAP CYCLE: SAFEGUARDS





## 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 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**







## PUSH FOR NEW TECHNOLOGIES

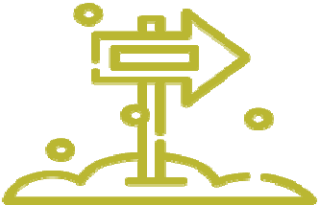
## EXTENDED FARM ADVICE

# A MODERN CAP

### 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)

- 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, Plan Health Law, Practices against anti-microbial resistance, Risk management, Innovation support (with European Innovation Partnerships), Development of digital technologies



# A TENTATIVE OUTLOOK

2018 - 2019

Debate in the European Parliament and in the Council on the CAP proposals

Spring 2019

Possible agreement of the next MFF 2021-2027 by the Heads of States and Governments

Spring 2019

Possible adoption of the next CAP 2021-2027 by the co-legislators

May 2019

Elections of the European Parliament

Preparation of the CAP implementation

2021

Possible entry into force of the new CAP

# REPORTS AND MORE INFORMATION AVAILABLE AT:

## ***MFF Material***

[https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals\\_en](https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en)

## ***CAP legislative proposals***

[https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en)

## ***Impact Assessment***

[https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index\\_en.htm](https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index_en.htm)

[https://ec.europa.eu/agriculture/consultations/cap-modernising/2017\\_en](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/index_en.htm)

[https://ec.europa.eu/agriculture/statistics\\_en](https://ec.europa.eu/agriculture/statistics_en)

[https://ec.europa.eu/agriculture/cap-indicators\\_en](https://ec.europa.eu/agriculture/cap-indicators_en)

***Thank you for your attention!***





# THE CAP IN THE MFF CONTEXT

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

- A 5% cut in CAP 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

## ***Main changes in the CAP***

- Stronger environmental/climate ambition with conditionality, eco-schemes and strategic plans
- Specifying the objectives that add EU value render the CAP more sustainable, simpler and modern
- Better targeting of support improves synergies between the economy and the environment

## ***Main expected impact from changes***

- Stronger reliance on research, knowledge transfer and digital economy to modernise CAP and sector
- A needs-based approach increases subsidiarity and flexibility to promote common EU objectives
- The CAP shift from compliance to performance parallels MFF shift towards more focus on incentives