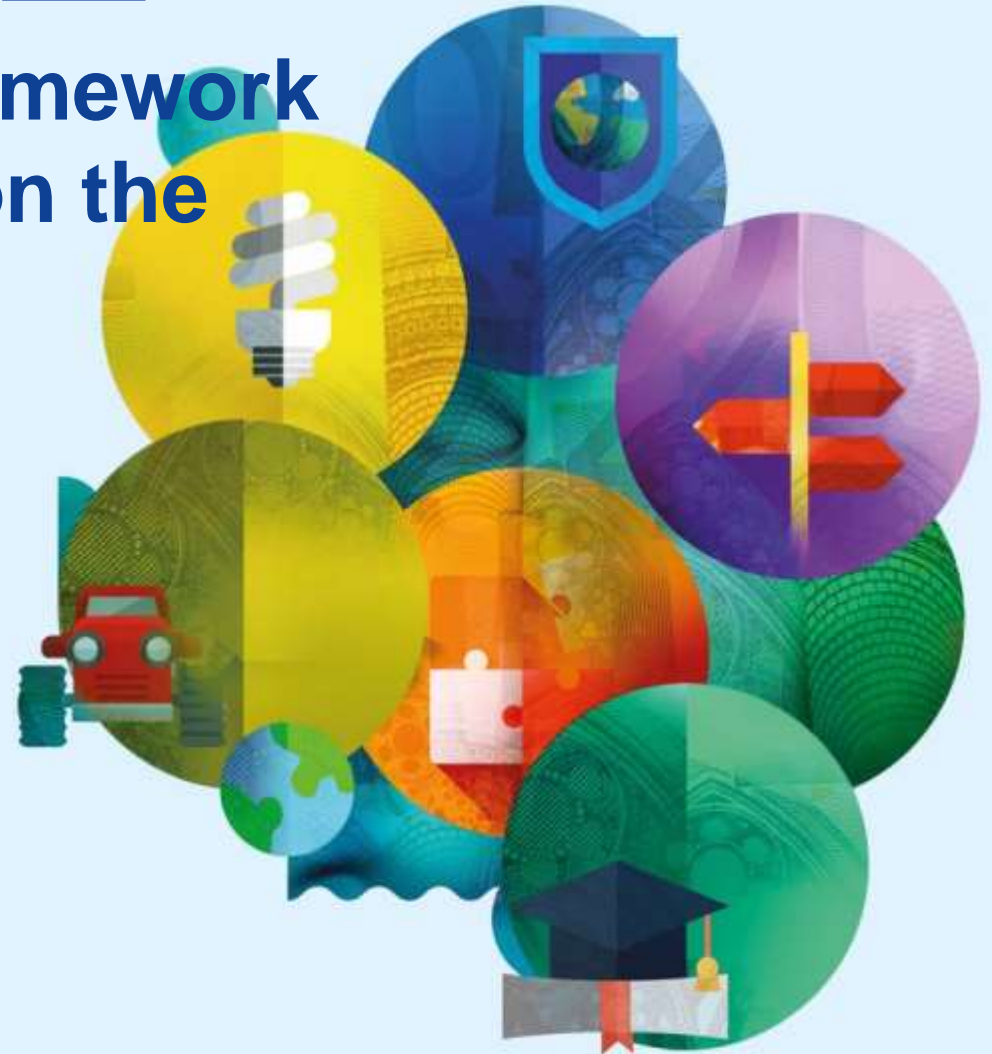


The EU financial framework post-2020: update on the CAP Reform



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IN A NUTSHELL: THE POST-2020 CAP AND NATURE LEGISLATION

1. **New delivery model:** new governance that relies on more subsidiarity. Makes role of PAFs even more important.
2. **CAP objectives:** Biodiversity including nature is given a specific objective
3. **"Whole CAP" approach:** conditionality details for biodiversity + nature Pillar I and Pillar II interventions all planned together in CAP plans
4. **Links to non-CAP legislation on nature:** *CAP plans to take account of analysis, objectives and targets from environmental plans emanating from habitats and birds directive*
5. **"No backsliding":** *legal obligation on MS to raise ambition on environment and climate compared to current period.*
6. The **new conditionality** will combine and improve aspects of cross-compliance and "greening". Biodiversity is concerned by SMRs, GAEC, ESPGS, EFAs
7. **Better toolbox:** including Pillar I "eco-schemes" – new instrument, can be used for Nature
8. **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 → potentially more money for Nature)*
9. **SNaPs** CAP to leverage support and upscale of LIFE SNaPs



2. CAP SPECIFIC OBJECTIVES ON BIODIVERSITY

Contribute to the **environmental objectives of the Union**

Contribute to the protection of **biodiversity**, enhance **ecosystem** services and preserve **habitats** and **landscapes**.

- For Natura 2000, this objective will be accompanied by a specific target set in the CAP strategic plan : “result indicator 28: Areas in Natura 2000 sites under commitments for protection, maintenance and restoration”.

→in case of lack of progress towards targets, actions will be taken and if actions are not in place or not effective, payments may be suspended



3. "WHOLE CAP" APPROACH

- **1 CAP strategic plan** per MS covering (inter alia):
 - Proposed implementation of 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**



4. LINKS TO NON-CAP LEGISLATION ON THE ENVIRONMENT AND CLIMATE

- **List** of legislation concerned in Annex XI of CAP Plan Regulation
- **12 items** listed – including Birds and Habitats Directives
- CAP plans needs to take account of analysis, objectives and targets from habitats and birds directive. This includes Prioritized Action Frameworks, Species Actions Plans at EU (eg Turtle Dove) or MS level (eg Wolf Plan in France) and to some extend Natura 2000 conservation measures or management plan.
- 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



6. CONDITIONALITY: OVERVIEW

SMRs

- SMR3 Birds Directive (Art3(1), 3(2)(b), 4(1) (2) and (4)),
- SMR 4 Habitats Directive Article 6(1) and 6(2)
- SMR 13 Sustainable Use of pesticides (art 12 with regards to restrictions on the use of pesticides in protected areas defined on the basis of Natura 2000 legislation)

GAECs

- GAEC 2 Appropriate protection of peatlands and wetlands
- GAEC 9 (Minimum share of agricultural are devoted to non-productive features or areas, retention of landscape features, ban of cutting hedges and trees during the bird breeding and rearing season, measures for avoiding invasive plant species)
- GAEC 10 (Ban on converting or ploughing permanent grassland in Natura 2000 sites)

Farm advisory services (embedded in AKIS)

Conditionality
Birds and habitats Directives

- **MS' planned approaches to be approved by Commission**



7. 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.
- In **WTO terms**, payments can be considered as:
 - environmental top-ups to decoupled direct payments;
 - [other] environmental payments – premia based on costs incurred, income foregone
- **Annual** rather than multi-annual

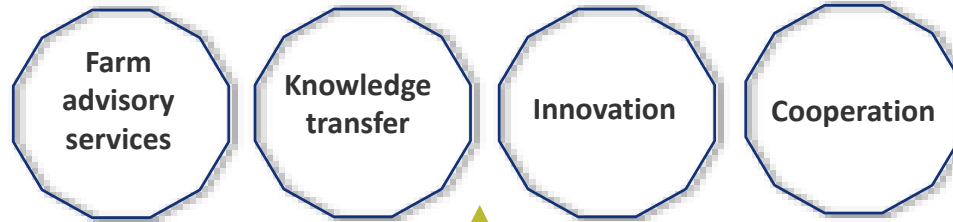


8. RING-FENCING OF SPENDING

- **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)



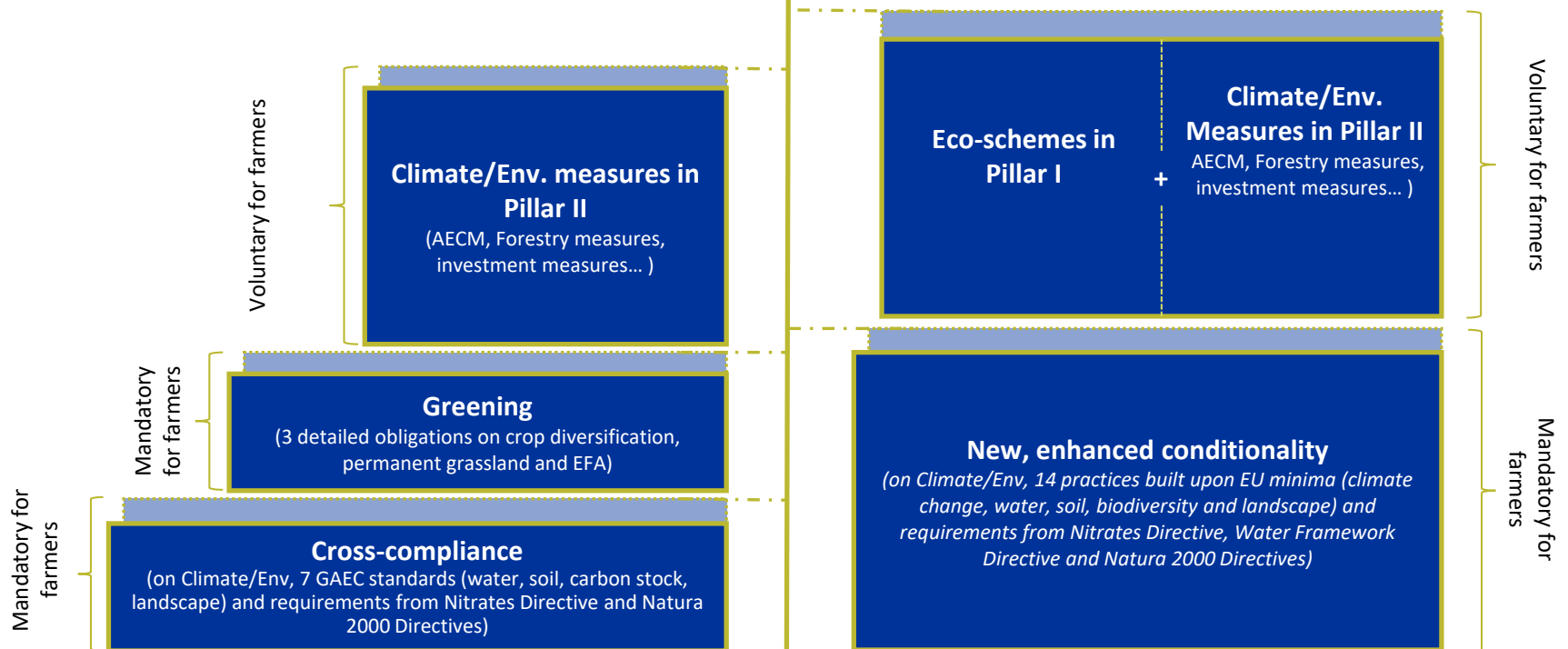
THE NEW GREEN ARCHITECTURE



Current architecture

Level of requirement

New architecture





CAP 2021-2027

(million € current prices)	CAP amounts	Comments
CAP (Total)	365 006	<ul style="list-style-type: none"> ▪ % of EU budget 2021-2027: 28.5%
Pillar 1 (EAGF) of which <ul style="list-style-type: none"> ▪ <i>direct payments (including POSEI)</i> ▪ <i>market measures</i> ▪ <i>assigned revenue</i> 	286 195 267 485 19 870 -1 160	<ul style="list-style-type: none"> ▪ In general fully EU financed ▪ Cut on direct payments less than 4% ▪ Further convergence of direct payment aid levels between MS ▪ Less than 4% cut for all market schemes with envelopes (except school schemes and beekeeping) ▪ Agricultural reserve - at least EUR 400 million, annual rollover starting from 2020 unused crisis reserve ▪ Assigned revenue - with CAP delivery model, less expected
Pillar 2 (EAFRD)	78 811	<ul style="list-style-type: none"> ▪ Rebalance financing between EU and MS: lower EU co-financing (similar for other European Structural & Investment funds)

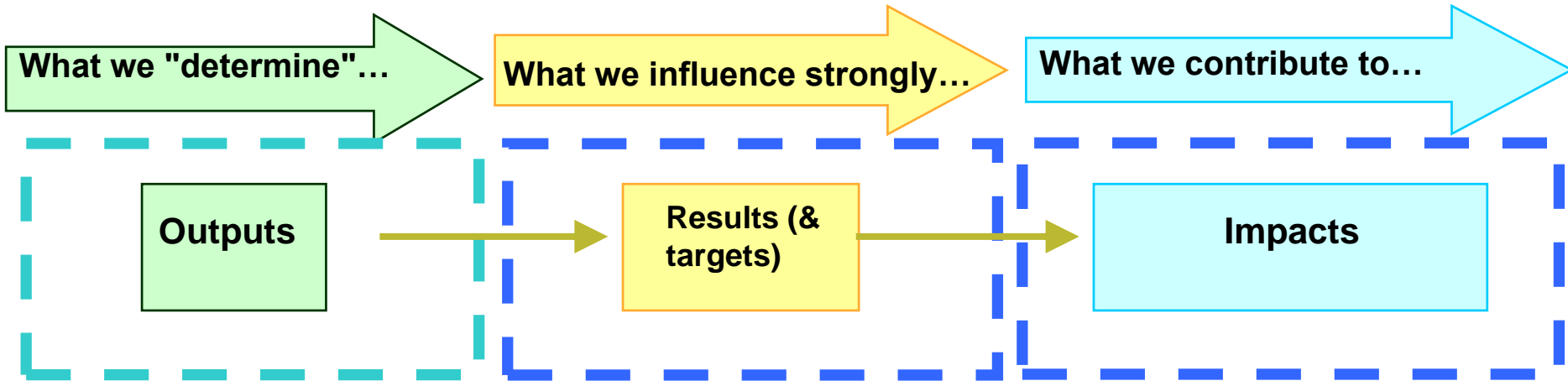
Possibility of transfers between pillars

15% between both funds

+

15% and 2% from 1st to 2nd for resp. environment/ climate and young farmers

OUTPUTS, RESULTS, IMPACTS



Absolute figures (no. of ha, farmers, projects etc.) related to the various intervention types, e.g.

- Number of hectares covered by environment/climate commitments going beyond mandatory requirements

Figures expressed as % shares of theoretically possible totals, e.g.

- Areas in Natura 2000 sites under commitments for protection, maintenance and restoration

- Percentage of species and habitats of Community interest related with agriculture with stable and increasing trends
- Farmland Birds Indicator

The shift towards performance: biodiversity objectives

EU

1. EU Specific objectives

- Contribute to the protection of biodiversity, enhance ecosystem, services and preserve habitats and landscape

2. EU Impact indicators

- Increasing farmland bird populations/ indicator: Farmland Bird Index
- Enhanced biodiversity protection/ indicator: Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends

3. Environmental objectives from EU legislation

- Maintenance or restoration, at favourable conservation status, of the natural habitats and species of wild fauna and flora of Community Interest emanating from the Habitats Directive
- Maintain the population of bird species at a level which corresponds in particular to ecological, scientific and cultural requirements, while taking account of economic and recreational requirements, or to adapt the population of these species to that level from the Birds Directive

4. Identification of needs in MS's CAP plan

- The ex-ante assessment helps to identify the specific needs to increase farmland bird populations
- The CAP plan highlights the link to the existing environmental legislation (Habitats and Birds Directives) +PAFs, Species Action Plans

5. Contribution of MS's CAP plan to EU objectives

- The CAP plan shows how it will contribute to reach the favourable conservation status of the habitats and species of Community Interest
- Selection and definition of interventions: mix of mandatory (new conditionality) and voluntary measures: e.g. retention of landscape features, extensive management of grassland, training, innovation partnership etc.
- Setting of result targets: e.g. share of UAA covered by income support and subject to conditionality, share of farmers receiving advice related to env/climate performance, share of agricultural land under management commitments supporting biodiversity conservation or restoration

6. CAP and MS's plan performance

- Progress monitoring towards set targets based on result indicators
- Evaluation of policy performance based on impact indicators

MS



FOCUS ON PERFORMANCE

Multi-annual approach for the whole CAP

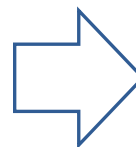
COMMON OBJECTIVES

INDICATORS

TYPES OF INTERVENTIONS

Assurance

Annual Performance Clearance
Linking expenditure to output

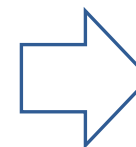


Common Output Indicators

Expenditure without outputs will not be eligible

Monitoring

Annual Performance Review
Checking progress towards targets



Common Result Indicators

Actions to be taken if lack of progress towards targets

If actions not in place or not effective, payments may be suspended

Policy performance

Interim Evaluation
Assessing performance towards objectives



Common Impact Indicators



European
Commission



CAP STRATEGIC PLAN: WHAT'S IN?

- 1 single CAP plan per MS for both CAP pillars
- Content
 - an assessment of needs
 - an intervention strategy (obligation to cover specifically: environmental architecture, young farmers sectoral programmes and risk management)
 - direct payments, sectoral and rural development interventions specified in the strategy
 - target and financial plans
 - governance and coordination system
 - elements that ensure modernisation of the CAP
 - elements related to simplification and reduced administrative burden for final beneficiaries



CAP STRATEGIC PLAN: WHO/HOW/WHEN?

■ Participation

- Elements of the CAP Plan are possible at regional level but Member States need to ensure overall coherence and consistency
- Preparation of CAP Plan: Need to involve relevant public authorities, economic and social partners and relevant bodies representing civil society and where relevant bodies responsible for promoting social inclusion, fundamental rights, gender equality and non-discrimination. The competent authorities for the environment and climate are to be effectively involved in the preparation of the environmental and climate aspects of the plan.

■ Approval

- Possibility to ask for the approval of a partial plan
- Criteria: Completeness, Consistency, Coherence with general principles of Union law
- 8 month assessment period (stop the clock mechanism)

■ Amendment

- Justification
- 3 month assessment period
- One amendment per calendar year



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

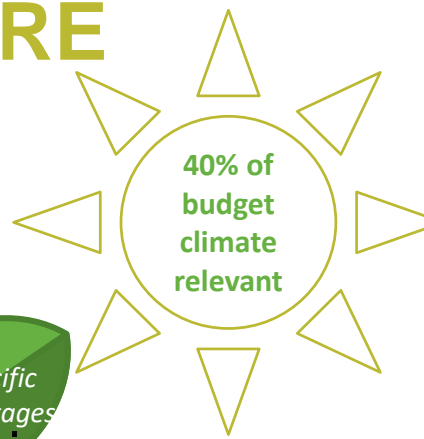
Preparation of the CAP implementation

2021

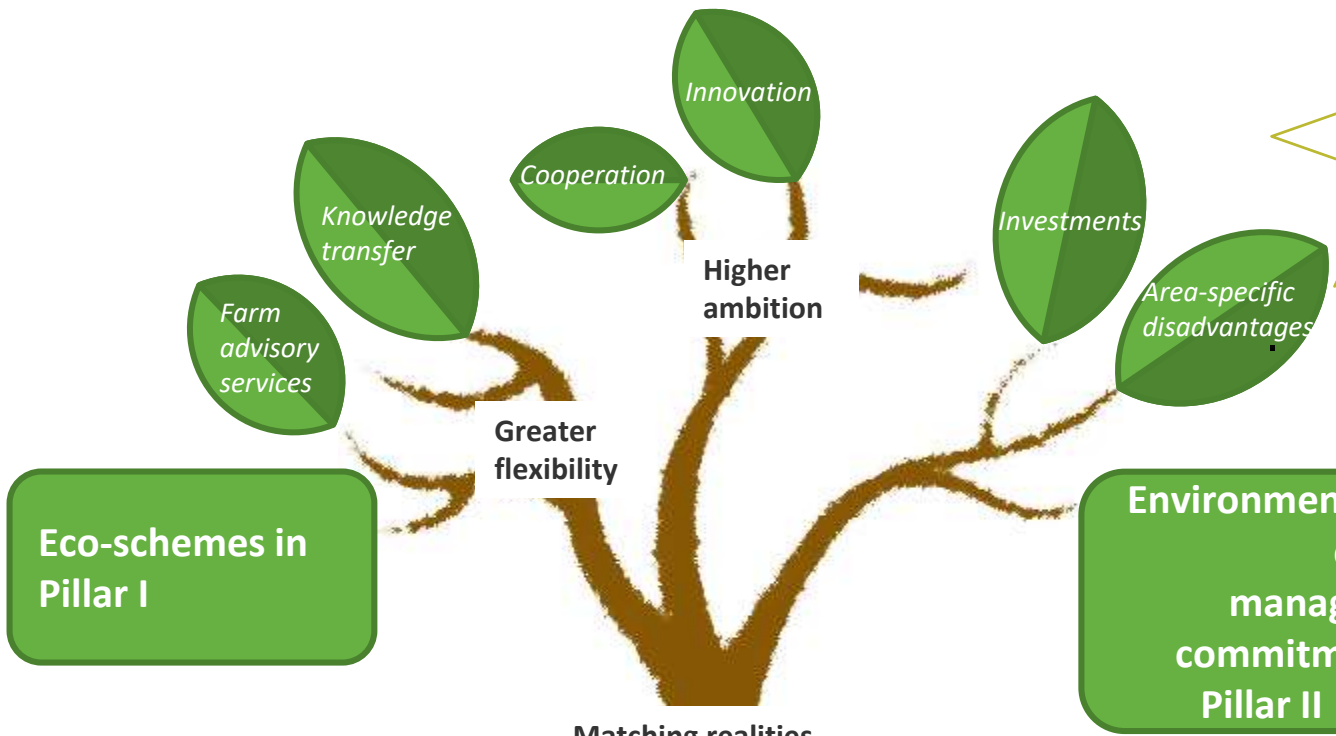
Possible entry into force



THE NEW GREEN ARCHITECTURE



Voluntary for farmers



Mandatory for MS

Mandatory for farmers

New, enhanced conditionality

(on climate/environment, 14 practices built on EU standards (related to climate change, water, soil, biodiversity and landscapes) and requirements from Nitrates Directive, Water Framework Directive and Natura 2000 Directives)



Useful links

Guidance on farming and Natura 2000

<http://ec.europa.eu/environment/nature/natura2000/management/docs/FARMING%20FOR%20NATURA%202000-final%20guidance.pdf>

Result Based Payment Schemes

<http://ec.europa.eu/environment/nature/rbaps/handbook/docs/rbaps-handbook.pdf>

ENRD workshop on Natura 2000

https://enrd.ec.europa.eu/news-events/events/enrd-workshop-natura-2000_en