

## Briefing note: Common Agricultural Policy (CAP) reform and large carnivore coexistence measures

The reform of the Common Agricultural Policy (CAP) for the 2021-2027 period has taken more time than expected (a provisional agreement between the Council and Parliament was reached 25 June 2021). The result is that the new measures will likely come into place at the start of 2023. The current CAP rules have been extended two years and will continue to apply until 2022.

This briefing addresses the changes introduced by the new CAP and what this means for financing livestock protection measures and wider measures to support coexistence with large carnivores.

### Summary

The EU provides financial aid which Member States can use to support farmers experiencing livestock depredation by large carnivores. The implementation of such payments is a choice that needs to be made by the managing authorities in the Member States or regions.

Compensation for stock lost to large carnivores is not financed by the EU but can be paid through state aid (national or regional financing) so long as prevention measures are in place (where this is possible).

The main measures to protect livestock against large carnivore depredation are fencing, livestock guarding dogs and shepherding.

Currently protection measures can be funded under the Rural Development Programmes (RDPs) which run until the end of 2022. Modifications can still be made to the ongoing programmes if such measures are not included.

State aid can also be used to fund these actions.

Under the new CAP (likely to begin January 2023), the same measures can be funded under the new Rural Development Programmes

Ecoschemes, under the direct payments' budget of the new CAP, could provide additional support to livestock breeders

Managing authorities are working on their CAP Strategic Plans (CSPs) now and should make sure that where relevant, livestock protection measures are included, especially if they are identified as needs and measures in the Prioritized Action Frameworks.

Managing authorities are obliged to consult stakeholders about the CSPs before they are finalised.

### The Common Agricultural Policy (CAP)

The CAP remains a significant part of the EU budget (around 38% in the 2014-20 funding period and around 31% for 2021-2027). The CAP regulations normally apply over the same period as the European Commission's long-term budget, its multi-annual financial framework (MFF) and so must be renegotiated when a new budget is put in place.

### The CAP 2014-2020 (extended through the transition regulation to 2022)

The CAP is made up of two so-called pillars. Pillar 1 provide basic income support to farmers at the same time requiring them to support the environmental and social objectives of the policy. It is fully financed by the EU. Pillar 2 funds the Rural Development Programmes (RDPs) supporting rural areas

across the EU to meet the economic, environmental and social challenges of the 21st century. The RDPs are co-financed with national or regional financing.

### **Pillar 2 of the CAP, the Rural Development Programmes**

The European agricultural fund for rural development (EAFRD), with a value of €100 billion for 2007-14 is allocated to Member States to support their RDPs (national or regional). This can, amongst many other things, provide support for protection measures that help to reduce the risk of damage from large carnivores. Measures include investments of up to 100 % for e.g. the installation of electrified fences, purchase of livestock guarding dogs and construction of shelters for shepherds<sup>1</sup>. Furthermore, maintenance costs covering additional labour costs for checking and maintaining protective fences, shepherding or for feed and veterinary costs for livestock guarding dogs may be covered by agri-environment-climate payments<sup>2</sup>. Studies to analyse methods of extensive animal rearing in the presence of carnivores or vulnerability analyse can also be supported. Funds can also be allocated for collaborative actions, increasing knowledge / awareness raising or individual projects related to LC presence, though this is not often currently done<sup>3</sup>.

Modifications can be made to RDPs on an annual basis, for example to add new measures or get rid of ones which are not being used.

Compensation for damages caused by large carnivores is not possible under rural development. It is only possible as pure state aid<sup>4</sup>.

### **Pillar 1 of the CAP, direct payments**

The European agricultural guarantee fund, worth €293 billion for the 2014-20 funding period, finances [direct payments](#) support to active farmers' incomes. The most financially important of the direct payment schemes is the Basic payment scheme (BPS) which is paid on an area basis to all eligible farmers. A Greening payment (30% of the direct payments on a Member State level) is paid on the condition that farmers undertake certain practices considered beneficial for the environment (crop diversification, maintenance of permanent pasture and Ecological focus areas). Voluntary coupled support (VCS) is another payment which allows Member States to link payments to certain products, thus for example, encouraging the maintenance of the livestock sector.

Pillar 1 is not currently used to finance protection measures for livestock.

### **CAP 2023-2027**

The main changes are a move to a "programming approach" (previously applied to pillar 2 only) for the whole CAP, an increased flexibility for MS to defined their intervention logic, a shift towards a result-based policy rather than a compliance-based policy.

Member States will implement the future CAP with the so-called "CAP strategic plan" (CSP) at national level but with the possibility to define interventions at regional level. These plans will combine a wide range of targeted interventions addressing the Member States' specific needs and delivering tangible results in relation to 9 EU-level objectives, while contributing to the [Green Deal](#) ambition.

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<sup>1</sup> See Marsden and Hovardas (2021) EU Rural Development Policy and the management of conflictual species: The case of large carnivores, Biological Conservation, <https://doi.org/10.1016/j.biocon.2020.108464>

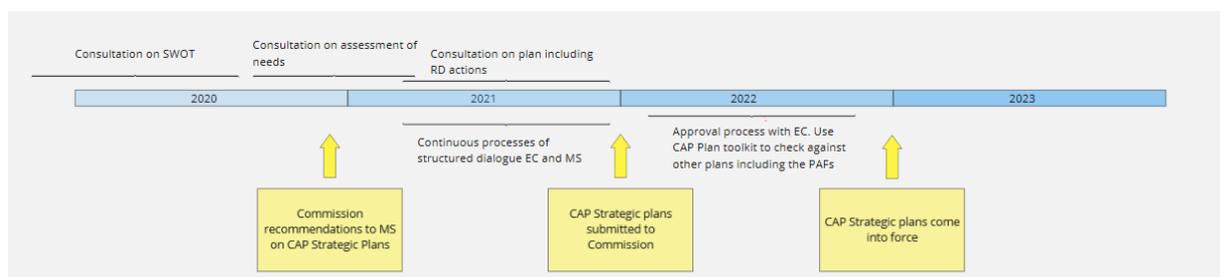
<sup>2</sup> See the EU Platform for Coexistence between People and Large Carnivores webpage on Rural Development Programmes for examples: [http://ec.europa.eu/environment/nature/conservation/species/carnivores/case\\_studies\\_sub\\_rural\\_development\\_programmes.htm](http://ec.europa.eu/environment/nature/conservation/species/carnivores/case_studies_sub_rural_development_programmes.htm)

<sup>3</sup> Ibid.

<sup>4</sup> For more information see: EU Platform for Coexistence between People and Large Carnivores Briefing: [https://ec.europa.eu/environment/nature/conservation/species/carnivores/pdf/Briefing%20note%20state%20aid\\_EU%20Platform.pdf](https://ec.europa.eu/environment/nature/conservation/species/carnivores/pdf/Briefing%20note%20state%20aid_EU%20Platform.pdf)

As a first step, Member States must produce a thorough assessment of their needs based on a strengths, weaknesses, opportunities and threats (SWOT) analysis of their environmental and agricultural needs. This feeds into their strategic plans which describe the interventions planned through both pillars of the CAP. Member States are already producing their SWOTs and working on their plans in order to submit them to the European Commission at the end of 2021. Discussion with the Commission is ongoing during the time the plans are produced through a process of “structured dialogue”. Recommendations from the Commission were sent to each Member State in December 2020 and discussions should continue as the plans develop.

CSPs must also take account of other environmental planning documents including the Priority Action Frameworks (PAFs) in which Member States describe their intentions for financing the Natura 2000 network, connectivity and green infrastructure and species, including conflict species. In countries where coexistence with large carnivores requires financial support, this should be described in the PAF including the source of financing. If the CAP is listed as a financing source, it is a requirement that funding should be included in the CSP.



## Measures relevant to protection of livestock from large carnivores

### Rural Development interventions

The Rural Development interventions have been grouped and simplified in the new regulation. While the list of measures or sub-measures is much shorter, the activities financed under the old programmes can still continue under the new CAP strategic plan. The most relevant articles are:

- Investments (art 68) – purchasing livestock guarding dogs, purchasing fencing, housing for shepherds
- Agri-environment-climate commitments (art 65) – maintenance payments for the above
- Knowledge exchange and information (art 72) – studies, assessments, vulnerability analysis

### Interventions under direct payments

The main novelty under the new CAP is the introduction of eco-schemes under the direct payments budget (20 moving to 25% of this budget). To be supported by eco-schemes, agricultural practices should cover activities related to the environment, climate and animal welfare; be defined based on the needs and priorities identified in the plans, go beyond basic requirements (conditionality) and contribute to meeting EU Green Deal targets.

Ecoschemes would generally be annual payments, as opposed to the multi-annual payments for many rural development activities. Additionally, eco-schemes support can be defined on the basis of compensation (of costs and income loss) or can be an incentive (top-up to the basic income support for sustainability).

The European Commission has published a [list of potential practices](#) that can be included in the ecoschemes. Some of these could potentially be used as additional support to livestock breeders coexisting with large carnivores. The most relevant are:

- Agroecology: support to low intensity, grass-based systems – could potentially be used for maintenance payments in areas where large carnivores are present
- Husbandry and animal welfare plans: housing and open-air grazing management – could potentially be used for fencing and night-enclosure systems
- High nature value farming: shepherding and transhumance – could be used to support shepherding in areas where large carnivores are present

### **Stakeholder involvement in the CSPs**

The draft regulation requires the managing authorities responsible for the CSPs to organise a partnership with other relevant public authorities (including the competent authorities for the environment and climate), economic and social partners and bodies representing civil society. These partners should be involved in the preparation of the CSPs.

In practice, the approaches taken between Member States varies widely. The development of the plans and consultation throughout the process is being followed by ARC2020 (the agricultural and rural convention) who have brought together a group of analysts reporting on the process of CSP production in different countries<sup>5</sup>.

### **Ensuring that large carnivore coexistence is sufficiently considered**

Managing authorities which have identified coexistence with large carnivores as an issue, should include a description of the situation in their CSPs and dedicate budget to suitable measures such as livestock guarding dogs, fencing or shepherding. Depending on other national priorities, this funding could come from Pillar 1 (Ecoschemes), Pillar 2 (Rural Development) or it could be financed through state aid. In the case that conflict with large carnivores was described as an issue in the PAF, this should be cross-checked with the CSP to ensure that the planned funding corresponds.

### **Ensuring that counter-productive measures are not included in the CSPs**

In addition to financing livestock protection measures, managing authorities and stakeholders, should ensure that measures encouraging the introduction of livestock into areas where wolves or bears are present include a requirement for associated livestock protection measures. This might apply for example to agri-environment-climate schemes encouraging high nature value farming or extensive grazing. Additionally Voluntary Coupled Support (VCS) continues under the new CAP and can be used for a headage payment for cattle, sheep or goats. Again, ensuring suitable livestock protection measures are in place should be a requirement.

### **June 2021**

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### **Further**

### **information:**

[https://ec.europa.eu/environment/nature/conservation/species/carnivores/case\\_studies\\_sub\\_rural\\_development\\_programmes.htm](https://ec.europa.eu/environment/nature/conservation/species/carnivores/case_studies_sub_rural_development_programmes.htm)

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<sup>5</sup> ARC2020 CAP Strategic Plans: <https://www.arc2020.eu/tag/cap-strategic-plans/>