

EVALUATION AND FITNESS CHECK (FC) ROADMAP			
TITLE OF THE EVALUATION/FC	Evaluation of the impact of the CAP measures towards the general objective "viable food production"		
LEAD DG RESPONSIBLE UNIT	AGRI.DDG1.C4	DATE OF THIS ROADMAP	15/02/2017
TYPE OF EVALUATION	Evaluation Ex-post Mixed	PLANNED START DATE	03 / 2017
		PLANNED COMPLETION DATE	06 / 2018
		PLANNING CALENDAR	<a href="http://ec.europa.eu/smart-regulation/evaluation/index_en.htm">http://ec.europa.eu/smart-regulation/evaluation/index_en.htm</a>
<b>This indicative roadmap is provided for information purposes only and is subject to change.</b>			

A. Purpose
(A.1) Purpose
<p>The reformed Common Agricultural Policy (CAP) which started its implementation in 2015 introduced a new set of policy instruments under its first and second pillars, with a view to enhancing viable food production, environmental performance and balanced territorial development in EU Member States.</p> <p>The purpose of this evaluation is to evaluate the impacts of the CAP measures towards the general objective of viable food production with a focus on the specific objectives of supporting agricultural income, competitiveness and market stability.</p> <p>The evaluation serves to have a full view on how the CAP policy instruments are performing against their objective of viable food production, to provide answers on issues raised in the public domain and provide a solid evidence basis for considering possible policy changes in the context of the post 2020 Multiannual Financial Framework.</p> <p>Available preliminary results from the evaluation study will be used to feed the forthcoming Communication on the modernisation and simplification of the CAP (foreseen to be adopted by the end of 2017), as well as the Commission Impact Assessment of the CAP after 2020.</p>
(A.2) Justification
<p>Article 110(5) of Regulation (EU) No 1306/2013 on the common monitoring and evaluation framework of the CAP of the European Parliament and of the Council requires the Commission to present a report with the first results of the performance of the Common Agricultural Policy (hereinafter CAP) by 31 December 2018 and a second report, including an assessment of the performance of the CAP, to be presented by 31 December 2021. This evaluation study will contribute to fulfil this requirement and other performance reporting requirements (such as the Annual Management and Performance Report produced at corporate level as part of the annual budget discharge).</p> <p>As noted above, the evaluation will also contribute to policy making and reflection by feeding into the Communication on the modernisation and simplification of the CAP, and to the Impact Assessment for the post-2020 CAP proposal.</p>

B. Content and subject of the evaluation
(B.1) Subject area
<p>The evaluation covers the CAP measures towards the general objective "viable food production" as set out in the "Direct Payments Regulation" [Regulation (EU) 1307/2013], the "CMO Regulation" [Regulation (EU) 1308/2013],</p>

articles 12 and 45 of the "Horizontal Regulation" [Regulation (EU) 1306/2013] as well as in the articles 14-20, 27, 29-31 and 35-40 of the "Rural development Regulation" [Regulation (EU) 1305/2013].

These measures are the following:

Direct payments:	EAFRD:
o Basic payment	o M3: Quality schemes
o Greening payment	o M4: Investments in physical assets (certain elements of this measure, including non-productive investments)
o Redistributive payment	o M6: Farm business and development
o Young farmers scheme	o M9: Producer groups
o Small farmers scheme	o M11: Organic farming
o (Voluntary) coupled support	o M13: Payments to areas facing natural or other constraints
o Support in areas facing natural constraints	o M16: Cooperation
o Voluntary transitional payment	o M17: Risk management
o Framework within which Bulgaria, Croatia and Romania may complement direct payments	
<b>Horizontal measures:</b>	
o Knowledge transfer and information actions (M1)	
o Advisory services, farm management and farm relief services (M2)	
<b>CMO measures</b>	
o Market measures	
o Exceptional market support measures	
o Safety net	
o Other CMO measures	

#### (B.2) Original objectives of the intervention

Article 39(1) TFEU lays down the CAP objectives:

- a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
- b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- c) to stabilise markets;
- d) to assure the availability of supplies;
- e) to ensure that supplies reach consumers at reasonable prices.

The Common Agricultural Policy (CAP) has undergone five major reforms, the most recent of which were in 2003 (mid-term review), in 2009 (the 'Health Check') and in 2013 (for the 2014-2020 financial period). The successive CAP reforms have adapted the mechanism the CAP uses in order to better attain the stated aims of the Treaty.

The 2013 reform sets new general objectives for the CAP (Article 110(2) of Regulation (EU) No 1306/2013): economic (ensuring food security by means of stable agricultural production, increasing competitiveness and the distribution of value across the food chain); environmental (sustainable use of natural resources and the fight against climate change); and territorial (ensuring economic and social diversity in rural areas).

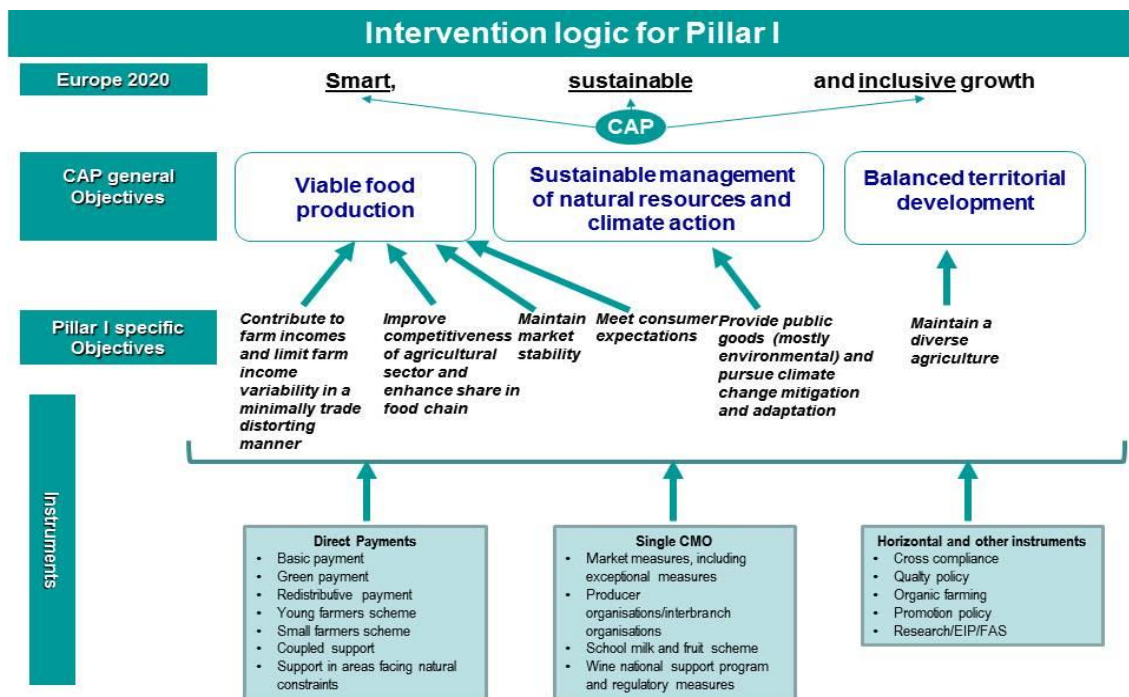
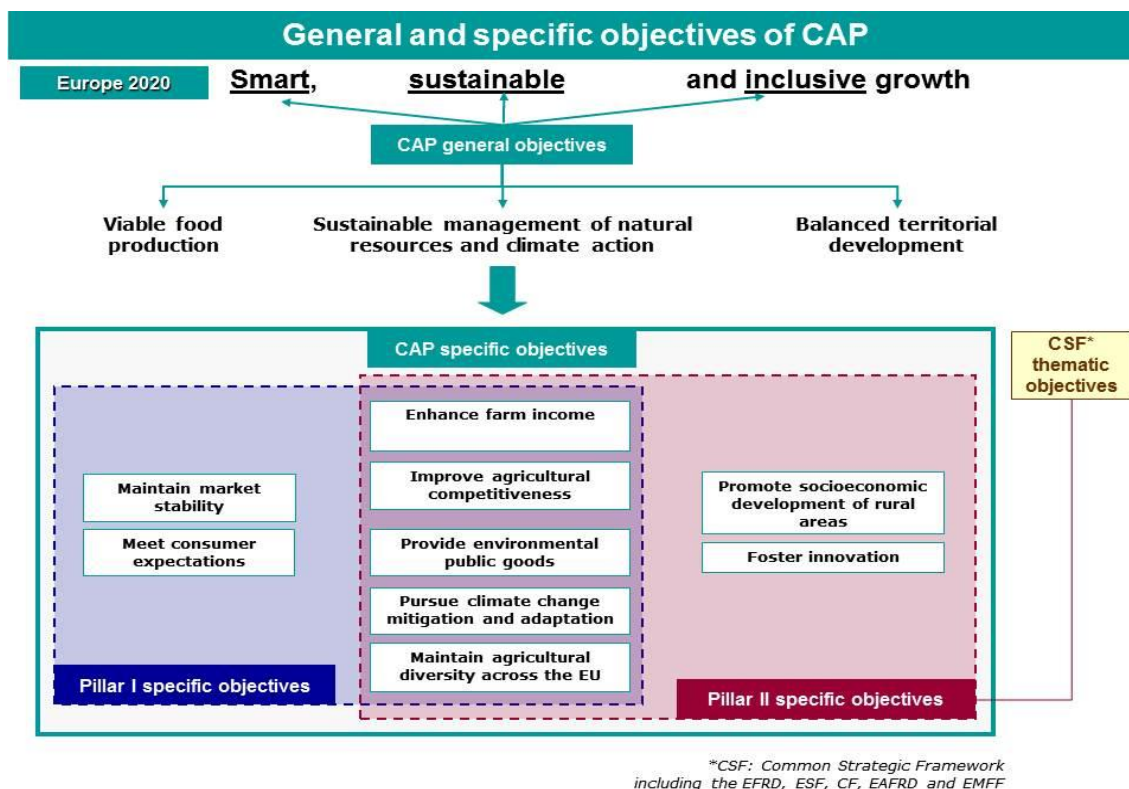
#### (B.3) How the objectives were to be achieved

Overall, the CAP contributes to three general objectives (see above), which together feed into the Europe 2020 objectives of smart, sustainable and inclusive growth. These CAP general objectives are:

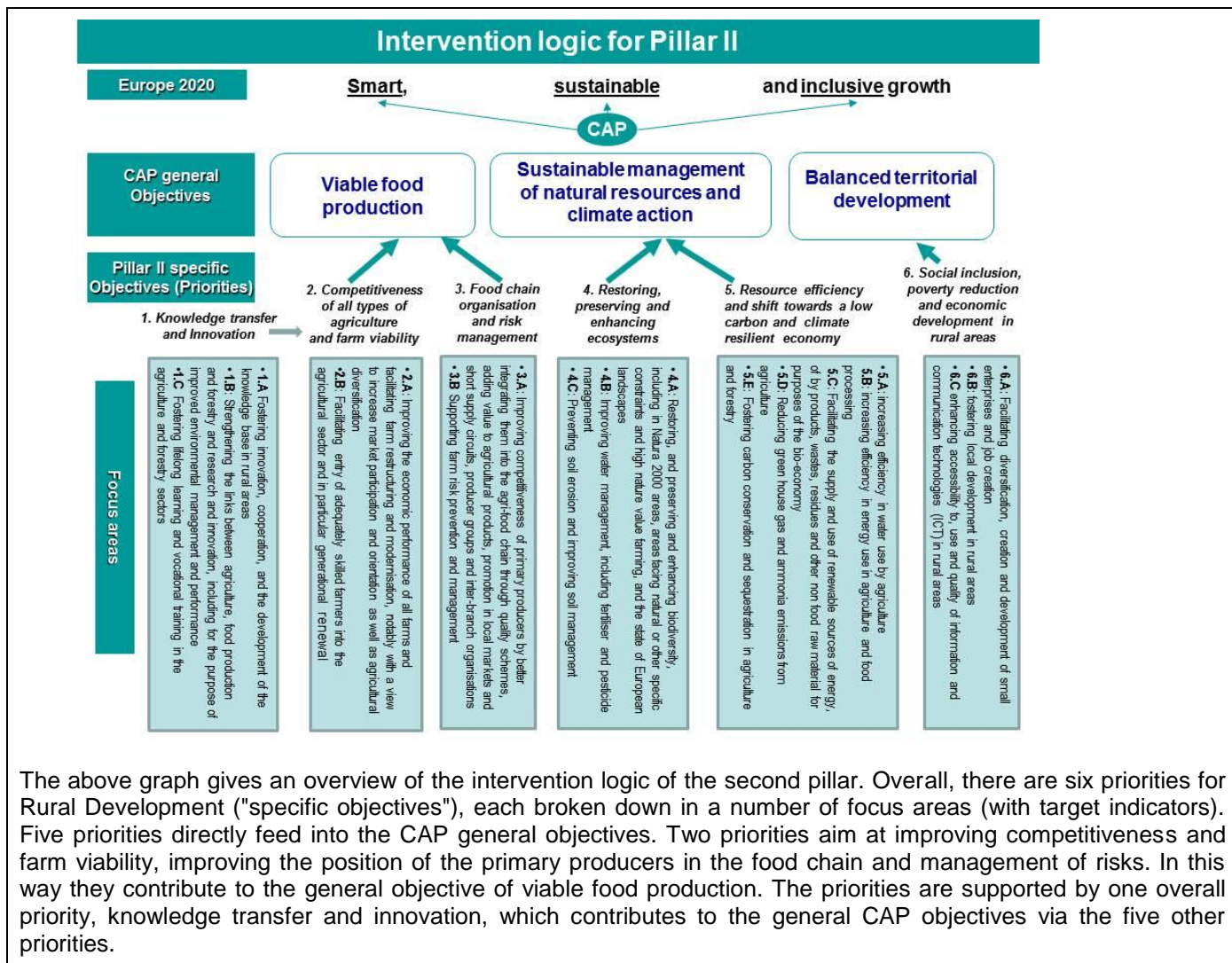
- ✓ Viable food production.
- ✓ Sustainable management of natural resources and climate action.
- ✓ Balanced territorial development.

Both CAP pillars contribute to these general objectives. The general objectives can be further broken down to specific objectives, some of which are common to CAP pillar I (broadly agricultural income and market support) and

II (rural development), others only linked to the first or second pillar. A graphical representation of these general objectives and their breakdown to specific objectives and how the related first pillar measures and RD priorities and focus areas feed into them can be found below.



The direct payments support aim to meet consumer expectations, stabilise the farmers' income, improve competitiveness and contribute to the provision of environmental public goods and climate change mitigation and adaptation. Market measures allow for a safety net in times of market disturbance or crisis, hence maintaining market stability and meeting consumer expectations. They also aim to improve competitiveness and to enhance the position of farmers in the supply chain e.g. through support for producer organisations. A number of horizontal measures support these objectives as well. Overall, these measures help to maintain a diverse agriculture in the EU.



The above graph gives an overview of the intervention logic of the second pillar. Overall, there are six priorities for Rural Development ("specific objectives"), each broken down in a number of focus areas (with target indicators). Five priorities directly feed into the CAP general objectives. Two priorities aim at improving competitiveness and farm viability, improving the position of the primary producers in the food chain and management of risks. In this way they contribute to the general objective of viable food production. The priorities are supported by one overall priority, knowledge transfer and innovation, which contributes to the general CAP objectives via the five other priorities.

### C. Scope of the evaluation/FC

#### (C.1) Topics covered

The evaluation covers basically the measures as set out in the "Direct Payments Regulation" [Regulation (EU) 1307/2013], the "CMO Regulation" [Regulation (EU) 1308/2013], articles 12 and 45 of the "Horizontal Regulation" [Regulation (EU) 1306/2013] as well as in the articles 14-20, 27, 29-31 and 35-40 of the "Rural development Regulation" [Regulation (EU) 1305/2013].

All 28 Member States are covered. An in-depth analysis is foreseen in a number of Member States, with a view on the cluster analysis carried out in the study "Mapping and analysis of the implementation of the CAP"

[https://ec.europa.eu/agriculture/external-studies/mapping-analysis-implementation-cap\\_en](https://ec.europa.eu/agriculture/external-studies/mapping-analysis-implementation-cap_en))

In principle, the analysis will cover the period following the implementation of the 2013 CAP reform, notably from 1 January 2014 onwards. However, for the impact analysis of the marketing measures the starting year is 2009 while for direct payments, the reform started to be fully implemented in 2015. The period since 2003 should be taken into account as a reference to compare with.

#### (C.2) Issues to be examined

Starting from a theory-based analysis of the viable food production effects of CAP measures, an intervention logic must be developed demonstrating the relevant linkages between the CAP and the objective to enhance viable food production.

The assumptions underlying the theoretical intervention logic will be tested using a combination of evaluation tools

based on evidence collected from different sources.

The evaluators should back their findings with quantified evidence, indicating any limitations of the value or soundness of the results obtained and supporting the quantitative evidence collected with a well-reasoned qualitative answer assessment.

The evaluation will be conducted along the five evaluation criteria:

### **Effectiveness**

1. To what extent have the combined CAP measures addressing viable food production affected farm income levels and variability?
  - a) by sector,
  - b) by region,
  - c) by farm type
2. To what extent have decoupled Direct Payments, coupled Direct Payments (Voluntary Coupled Support) and EAFRD support affected farm income levels and variability?
3. To what extent have the combined CAP measures addressing viable food production affected competitiveness of the farm sector and downstream sectors (food processing and industries)?
  - a) Please also address to what extent EAFRD support for knowledge transfer, advice and cooperation (incl. innovation) contributed to the competitiveness through restructuring and modernisation of the EU farm sector.
  - b) Please also address to what extent decoupled Direct Payments contributed to the competitiveness of the EU farm sector.
  - c) Please also address to what extent coupled Direct Payments affected the competitiveness of the supported sectors (in terms of production, prices, structure, trade and cost effectiveness of the farm production) as well as on the competitiveness of concerned downstream sectors.
4. To what extent have the combined CAP measures addressing viable food production influenced jobs maintenance and/or creation in the farm sector and beyond? In answering this question please distinguish between coupled and decoupled Direct Payments and EAFRD support.
5. To what extent have the redistribution of direct income support sought in the reform (through the introduction of the redistributive payment, internal convergence, external convergence, reduction of payments and capping, as well as where applied the regionalisation) and the new targeting elements (Active Farmer clause, Young Farmer Scheme, etc.) been effective
6. To what extent have the market measures, in particular the support packages, the safety-net and the exceptional market measures contributed to the stabilization of volatile market situations and crises?
7. To what extent have the market measures affected farmers' behaviour in terms of production decisions in the short and long term in order to be more oriented towards market signals?

### **Efficiency**

8. To what extent has the CAP generated value-for-money, i.e. to what extent has the CAP generated the best possible results towards the objective of viable food production with its available budget?
  - a) To which extent did the implementation choices of Member States impacted on this?
  - b) Are the administrative procedures proportional to the given support and the results?

### **Coherence**

9. To what extent have the CAP measures delivered a coherent contribution to achieving the general



objective of viable food production and the related specific objectives agricultural income, competitiveness and market stability?

a) To what extent did the envisaged synergies among the measures occur?

10. To what extent have the CAP measures towards the objective of viable food production been coherent

a) with the other general CAP objectives (sustainable management of natural resources and climate action and balanced territorial development)?

b) with other EU policies?

c) with national policies?

11. To what extent has the existence of coupled Direct Payments impacted on the level playing field between Member States?

### **Relevance**

12. To what extent do the CAP objectives related to viable food production correspond to the actual needs within the EU?

13. To what extent are the examined CAP measures relevant in contributing to viable food production and the related specific objectives fostering agricultural income, competitiveness and price stability?

### **EU added value**

14. To what extent have the CAP measures created EU added value? With EU added value achievements are meant thanks to action at EU level that would not have happened if Member States acted on their own.

a) In answering this question the contractor should take into account the implementation choices offered to the Member States.

The above aspects may be further detailed in the methodology to be prepared by the evaluators for this assignment.

(C.3) Other tasks

## **D. Evidence base**

(D.1) Evidence from monitoring

Relevant information is provided through the indicators included in the CAP 2014–2020 common monitoring and evaluation framework (CMEF).

For Rural Development the Rural Development Programmes (RDPs) and the Pillar II Annual Implementation Reports are used.

<http://enrd.ec.europa.eu/>

Moreover Article 9 of the Commission Implementing Regulation (EU) No 809/2014 rules that each year, by 15 July, for all direct payments Member States shall notify to the Commission control data and control statistics covering the previous calendar year containing data relating to individual beneficiaries including on aid applications, areas, results of checks on compliance etc. Data will be available for 2015 and partly for 2016 for the purpose of this evaluation.

(D.2) Previous evaluations and other reports
<p>The evaluation study will use (1) data provided by Member States (e.g. information on the implementation choices taken and monitoring data on uptake) (2) statistical information collected by the Commission such as the Farm Structure Survey, FADN (Farm Accounting Data Network) data, market data as well environmental and rural development indicators (3) any relevant completed or on-going studies on the CAP reform.</p> <p>The impact assessment relating to the initial legislative proposal of the Commission will also be a useful source of information, however taking account of the changes introduced with the adoption of Basic Regulations (Regulations (EU) Nos 1303 to 1308/2013 (OJ L 347, 20.12.2013).</p> <p>Relevant information is available from the study 'Mapping and analysis of the implementation of the CAP' <a href="https://ec.europa.eu/agriculture/external-studies/mapping-analysis-implementation-cap_en">https://ec.europa.eu/agriculture/external-studies/mapping-analysis-implementation-cap_en</a> with regard to the overall implementation context and choices of Member States in relation to the whole CAP.</p> <p>For 2017 a study is planned on the administrative burden of the CAP. If already advanced enough it could provide complementary quantified information on the administrative burden linked with the implementation of the CAP measures.</p>
(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)
See point D.2 on implementation evidence sources that will be used for this evaluation.
(D.4) Consultation
<p>Consultation objectives:</p> <p>The aim of the envisaged consultations is to seek information and feedback from the relevant stakeholders and wider public in relation to the effects of the CAP towards the general objective of viable food production. In the context of the external study work, consultation activities will target the following main stakeholders: public authorities responsible for implementation of the CAP measures in EU Member States including paying agencies, and bodies delivering farm advisory services; farmers and farmers' organisations; academia and experts as well as NGOs and relevant other civil society organisations. These consultation activities will take the form of workshops, surveys and interviews. The workshops foreseen in the context of the Communication on the modernisation and simplification of the CAP can also be used to collect evidence for this evaluation.</p> <p>Relevant Civil Dialogue Groups gathering civil society representatives (for Direct Payments and Greening, for Rural Development) will be consulted in particular on implementation and results of CAP measures.</p> <p>The Expert Group on Monitoring and Evaluating the CAP will be requested to provide information on possible relevant activities at Member State level and in particular in case Member States have set up arrangements for collecting baseline data and for monitoring and evaluating CAP measures. The possibility of organising an exchange of views in the context of this Expert Group is under consideration.</p> <p>After completion of the external evaluation study, a presentation and discussion with the representatives from civil society in the context of the Civil Dialogue Groups will be scheduled to receive feedback on the findings to be used as input for the preparation of the evaluation Staff Working Document.</p> <p>In parallel during the works on the evaluation an open internet-based public consultation in relation to practical experience with the implementation and the effects of the CAP measures will be conducted between January and March 2018 and made available on the Your Voice In Europe website<sup>1</sup> in all official EU languages for 12 weeks. The public consultation will be closely aligned to the one already held under the CAP modernisation initiative. Its focus will be on CAP measures and their individual or collective impact on farm income, competitiveness and jobs. The questionnaire will be developed by the consultants working on the evaluation in cooperation with the evaluation Steering Group. Its results will, depending on the number of answers, be processed either by the Commission services or by external consultants other than those working on the evaluation and feed into the preparation of the evaluation Staff Working Document.</p> <p>The consultation of the Committees mentioned above will take place at the beginning of the open internet-based</p>

<sup>1</sup> *The consultation planning can be found on: [http://ec.europa.eu/yourvoice/consultations/docs/planned-consultations-2016\\_en.pdf](http://ec.europa.eu/yourvoice/consultations/docs/planned-consultations-2016_en.pdf).*

public consultation and towards the end of the evaluation works, i.e. in the first quarter of 2018.  
At the end of the consultation work, an overall synopsis report will be drawn up covering the results of the different consultation activities that took place. It will be made available on the consultation website<sup>2</sup>.

(D.5) Further evidence to be gathered

Further country-specific evidence will be gathered through case studies as part of the present evaluation.

**E. Other relevant information/ remarks**

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<sup>2</sup> Available at: [http://ec.europa.eu/agriculture/consultations/public/index\\_en.htm](http://ec.europa.eu/agriculture/consultations/public/index_en.htm)