

PRESIDENCY DRAFTING SUGGESTIONS FOR THE¹

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council

TITLE I

SUBJECT MATTER AND SCOPE, APPLICABLE PROVISIONS AND DEFINITIONS

Article 3

Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (k) 'AKIS' means the combined organisation and knowledge flows between persons, organisations and institutions who use and produce knowledge for agriculture and interrelated fields (Agricultural Knowledge and Innovation System).

TITLE II

OBJECTIVES AND INDICATORS

Article 5

General objectives

Support from the EAGF and EAFRD shall aim to further improve the sustainable development of farming, food and rural areas and shall contribute to achieving the following general objectives:

¹ As per December 2019. The regulation only becomes final when published.

- (a) to foster a smart, resilient and diversified agricultural sector ensuring food security;
- (b) to bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union;
- (c) to strengthen the socio-economic fabric of rural areas.

Those objectives shall be complemented by the cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake.

Article 6

Specific objectives

The achievement of the general objectives shall be pursued through the following specific objectives:

- (a) support viable farm income and resilience across the Union to enhance food security;
- (b) enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation;
- (c) improve the farmers' position in the value chain;
- (d) contribute to climate change mitigation and adaptation, as well as sustainable energy;
- (e) foster sustainable development and efficient management of natural resources such as water, soil and air;
- (f) contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;
- (g) attract and sustain young farmers and facilitate business development in rural areas;
- (h) promote employment, growth, gender equality, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;
- (i) improve the response of EU agriculture to societal demands on food and health, including safe and nutritious food produced in a sustainable way, food waste, as well as animal welfare.

TITLE III

COMMON REQUIREMENTS AND TYPES OF INTERVENTIONS

SECTION 3

FARM ADVISORY SERVICES

Article 13

Farm advisory services

1. Member States shall include in the CAP Strategic Plan a system providing public or private services for advising farmers and other beneficiaries of CAP support on land management and farm management ('farm advisory services'). Member States may make use of existing systems.
2. The farm advisory services shall cover economic, environmental and social dimensions and deliver up to date technological and scientific information developed by research and innovation. They shall be integrated within AKIS.
3. Member States shall ensure that the farm advice given is impartial and that advisors have no conflict of interest.
4. The farm advisory services shall cover at least the following:
 - (a) all requirements, conditions and management commitments applying to farmers and other beneficiaries set in the CAP Strategic Plan, including requirements and standards under conditionality and conditions for interventions as well as information on financial instruments and business plans established under the CAP Strategic Plan;
 - (b) the requirements as laid down by Member States for implementing Directive 2000/60/EC, Directive 92/43/EEC, Directive 2009/147/EC, Directive 2008/50/EC, Directive (EU) 2016/2284, Regulation (EU) 2016/2031, Regulation (EU) 2016/429,

Article 55 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council² and Directive 2009/128/EC;

- (c) farm practices preventing the development of antimicrobial resistance as set out in the Communication "A European One Health Action Plan against Antimicrobial Resistance"³;
- (d) risk management;
- (e) innovation support in particular for preparing and for implementing Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114;
- (f) digital technologies in agriculture and rural areas as referred to in Article 102(b);
- (fa) at the latest as from {2023} the use of the Farm Sustainability Tool for Nutrients to be developed by the Commission in cooperation with Member States. This tool shall be a digital application that provides a nutrient balance based on relevant information of the farm, legal requirements on nutrients and available information from soil analyses. Alternatively, Member States may use another digital tool that fulfills the same purpose. The Commission may support Member States with data storage and processing services requirements.

CHAPTER IV

TYPES OF INTERVENTIONS FOR RURAL DEVELOPMENT

SECTION 1

TYPES OF INTERVENTIONS

Article 68

Investments

² Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).

³ "A European One Health Action Plan against Antimicrobial Resistance (AMR)" (COM(2017) 339 final).

1. Member States may grant support for investments under the conditions set out in this Article and as further specified in their CAP Strategic Plans.
4. Member States shall limit the support to one or more rates-not exceeding 75% of the eligible costs.

The support rate may be increased to a maximum of 100% for the following investments:

- (d) non-productive investments supported through community-led local development strategies set out in Article 26 [CPR] and Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in point (a) of Article 71;

Article 71

Cooperation

1. Member States may grant support for cooperation under the conditions set out in this Article and as further specified in their CAP Strategic Plans to:
 - (a) prepare and ~~to~~ implement Operational Group operations of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114;
 - (b) prepare and implement LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR]*;
 - (c) promote and support quality schemes and their use by farmers;
 - (d) support producer organisations or producer groups;
 - (e) support other forms of cooperation.
2. Member States may only grant support under this Article to promote forms of cooperation which involves at least two actors and which contributes to achieving one or more of the specific objectives set out in Article 6.
3. Member States may cover under this Article the costs related to all aspects of the cooperation.

* The Presidency also proposes to amend recital (45) as follows: "[...] community supported agriculture; all actions within the scope of LEADER; and the setting up of producers groups and producer organisations [...]".

4. Member States may grant the support as an overall amount covering the cost of cooperation and the cost of the operations implemented, including investment costs, or they may cover only the costs of the cooperation and use funds from other types of interventions, national or Union support instruments for project implementation. Where support is paid as an overall amount, Member States shall ensure that the relevant rules and requirements for similar operations covered under other types of interventions for rural development as set out in Articles 65, 66, 67, 68, 69, 70 and 72 of this Regulation are respected.
6. Member States shall not support through this type of interventions cooperation solely involving research bodies.

Article 72

Knowledge exchange and information

1. Member States may grant support for knowledge exchange and information in agriculture, forestry, and rural businesses and communities, as well as for the protection of nature, environment and climate, including environmental education and awareness actions, under the conditions set out in this Article and as further specified in their CAP Strategic Plans.
2. Support under this Article may cover costs of any relevant action to promote innovation, training and advice, drawing up and updating of plans, studies, as well as exchange and dissemination of knowledge and information which contribute to achieving one or more of the specific objectives set out in Article 6.

Support for advisory services shall only be granted for advisory services that comply with the third paragraph of Article 13.

3. In the case of setting-up of advisory services, Member States may grant support in the form of a fixed amount of maximum EUR 200 000. They shall ensure that support is limited in time.

TITLE IV

FINANCIAL PROVISIONS

{Article 85

EAFRD contribution rates

1. The CAP Strategic Plans shall establish a single EAFRD contribution rate applicable to all interventions.

2. The maximum EAFRD contribution rate shall be:
 - (a) [70%] of the eligible public expenditure in the outermost regions and in the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013;
 - (b) [70%] of the eligible public expenditure in the less developed regions;
 - (c) [65%] of the eligible expenditure for payments under Article 66;
 - (d) [43%] of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be [20 %].

3. By way of derogation from paragraph 2, the maximum EAFRD contribution rate shall be:
 - (a) [80 %] for management commitments referred to in Article 65 of this Regulation, for payments under Article 67 of this Regulation, for non-productive investments referred to in Article 68 of this Regulation, for support for the European Innovation Partnership under Article 71 of this Regulation and for the LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR];
 - (b) [100%] for operations receiving funding from funds transferred to the EAFRD in accordance with Articles 15 and 90 of this Regulation.}

TITLE V

CAP STRATEGIC PLAN

CHAPTER II

CONTENT OF THE CAP STRATEGIC PLAN

Article 95

Content for the CAP Strategic Plans

1. Each CAP Strategic Plan shall contain sections on the following:
 - (a) the assessment of needs;
 - (b) the intervention strategy;
 - (c) the elements common to several interventions;

- (d) the direct payments, sectoral and rural development interventions specified in the strategy;
- (e) target and financial plans;
- (f) the governance and coordination system;
- (g) the elements that ensure modernisation of the CAP.

Article 102

Modernisation

The section on the elements that ensure modernisation of the CAP referred to in point (g) of Article 95(1) shall highlight the elements of the CAP Strategic Plan that support the modernisation of the agricultural sector and the CAP and shall contain in particular:

- (a) an overview of how the CAP Strategic Plan will contribute to the cross-cutting general objective related to fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas and encouraging their uptake set out in the second subparagraph of Article 5, notably through: a description of the organisational set-up of AKIS and how advisory services as referred to in Article 13, research and CAP networks will cooperate to provide advice, knowledge flows and innovation services and how the actions supported under Article 72 are integrated into AKIS;
- (b) a description of how digital technologies will be used in agriculture and rural areas to improve the effectiveness and efficiency of the CAP Strategic Plan interventions.

Article 103

Annexes

1. Annex I to the CAP Strategic Plan referred to in point (a) of Article 95(2) shall include a summary of the main results of the ex-ante evaluation referred to in Article 125 and the Strategic Environmental Assessment (SEA) as referred to in Directive 2001/42/EC of the European Parliament and of the Council⁴ and how they have been addressed or a justification

⁴ Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programs on the environment (OJ L 197, 21.7.2001, p. 30).

of why they have not been taken into account, and a link to the complete ex-ante evaluation report and SEA report.

2. Annex II to the CAP Strategic Plan referred to in point (b) of Article 95(2) shall include a SWOT analysis of the current situation of the area covered by the CAP Strategic Plan.

The SWOT analysis shall be based on the current situation of the area covered by the CAP Strategic Plan and shall comprise, for each specific objective set out in Article 6(4), an ~~comprehensive~~ overall description of the current situation of the area covered by the CAP Strategic Plan, based on common context indicators and other quantitative and qualitative up-to-date information such as studies, past evaluation reports, sectoral analysis and lessons learned from previous experiences.

Where relevant, the SWOT analysis shall include an analysis of territorial aspects, highlighting those territories specifically targeted by interventions, and an analysis of sectoral aspects, notably for those sectors subject to specific interventions or sectoral programs.

For the general cross-cutting objective related to fostering and sharing of knowledge, innovation and digitalisation and encouraging their uptake set out in the second subparagraph of Article 5, the SWOT analysis shall also provide relevant information about the functioning of the AKIS and related structures.

Article 113

European and national Common Agricultural Policy Networks

1. Each Member State shall establish a national Common Agricultural Policy Network (national CAP network) for the networking of organisations and administrations, advisors, researchers and other innovation actors in the field of agriculture and rural development at national level at the latest 12 months after the approval by the Commission of the CAP Strategic Plan.
2. A European network for the Common Agricultural Policy (European CAP network) shall be put in place by the Commission for the networking of national networks, organisations, and administrations in the field of agriculture and rural development at Union level.
3. Networking through the CAP networks shall have the following objectives:
 - (a) increase the involvement of all relevant stakeholders in the implementation of CAP Strategic Plans and, where relevant, their design, as well as facilitate peer-to-peer learning;

- (b) improve the quality of implementation of CAP Strategic Plans;
- (c) contribute to the information of the public and potential beneficiaries on the CAP and funding opportunities;
- (d) foster innovation in agriculture and rural development and support the inclusion of, and the interaction between, all stakeholders in the knowledge-exchange and knowledge-building process;
- (f) contribute to the dissemination of CAP Strategic Plans results;
- (fa) assist the Member States' administrations in the implementation of CAP Strategic Plans and the transition to a performance based delivery model;
- (fb) support the monitoring and evaluation capacities of the relevant bodies.

The objectives set out in points (fa) and (fb) shall be addressed in particular through the European CAP network.

4. The tasks of the CAP Networks for the achievement of the objectives set out in paragraph 3 shall be the following:

- (a) collection, analysis and dissemination of information on actions and good practices implemented or supported under CAP Strategic Plans as well as analysis on developments in agriculture and rural areas relevant to the specific objectives set out in Article 6;
- (e) creation of platforms, fora and events to facilitate exchanges of experience between stakeholders and peer to peer learning, including where relevant exchanges with networks in third countries;
- (f) collection of information and facilitation of its dissemination as well as networking of funded structures and projects, such as local action groups referred to in Article 27 of Regulation (EU) [CPR], Operational Groups of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114(4) and equivalent structures and projects;
- (g) support for cooperation projects between EIP Operational Groups, LAGs or similar local development structures, including transnational cooperation;

- (h) creation of links to other Union funded strategies or networks;
 - (i) contribution to the further development of the CAP and preparation of any subsequent CAP Strategic Plan period;
 - (j) in the case of national CAP networks, participating in and contributing to the activities of the European CAP network;
 - (ja) in the case of the European CAP network, contribution to capacity building for Member States administrations and of other actors involved in the implementation of CAP Strategic Plans, including as regards monitoring and evaluation processes, as well as participating in and contributing to the activities of the national CAP networks.
5. The Commission shall adopt implementing acts setting out the organisational structure and operation of the European CAP network. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 114

European Innovation Partnership for Agricultural Productivity and Sustainability

2. The aim of the European Innovation Partnership for agricultural productivity and sustainability (EIP) shall be to stimulate innovation and improve the exchange of knowledge. The EIP shall support the AKIS referred to in Article 13(2) by connecting policies and instruments to speed up innovation.
3. The EIP shall contribute to achieving the specific objectives set out to in Article 6(4).
4. It shall in particular:
- (a) create added value by better linking research and farming practice and encouraging the wider use of available innovation measures;
 - (b) connect innovation actors and projects;
 - (c) promote the faster and wider transposition of innovative solutions into practice; and
 - (d) inform the scientific community about the research needs of farming practice.

EIP Operational Groups supported under the cooperation type of intervention referred to in Article 71 shall form part of the EIP. Each Operational Group shall draw up a plan for an

innovative projects to be developed, or implemented. The innovative project shall be based on the interactive innovation model which has as key principles:

- (a) developing innovative solutions focusing on farmers' or foresters' needs while also tackling the interactions across the supply chain where useful;
- (b) bringing together partners with complementary knowledge such as farmers, advisors, researchers, enterprises or non-governmental organisations in a targeted combination as best suited to achieve the project objectives; and
- (c) co-deciding and co-creating all along the project.

Operational Groups may act at transnational, including cross-border, level. The envisaged innovation may be based on new but also on traditional practices in a new geographical or environmental context.

Operational Groups shall **disseminate a summary of their plans and of the results of their projects**, in particular through the CAP networks.