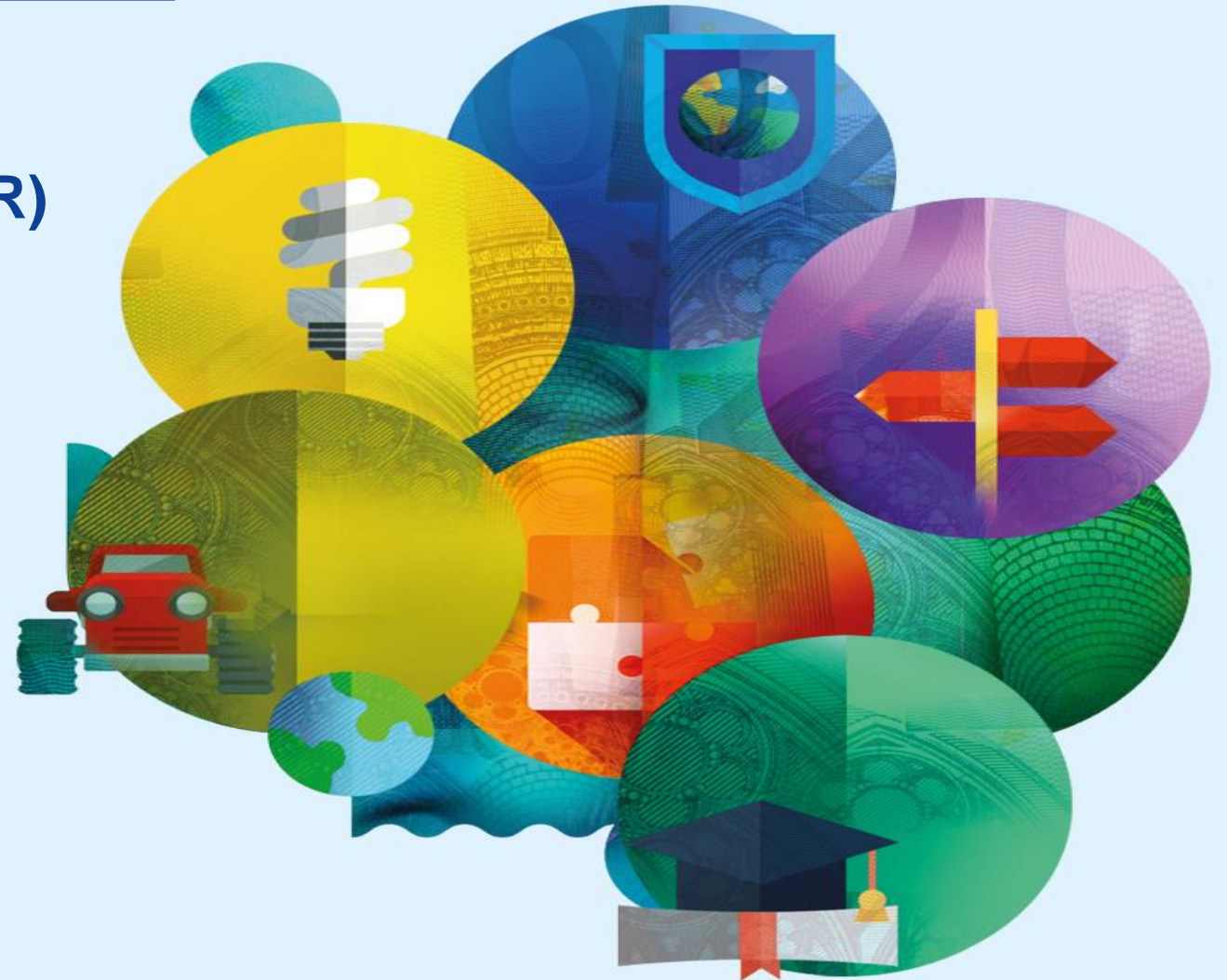


CAP 2023-2027

CAP Strategic Plans Regulation (SPR)

(with focus on rural development)

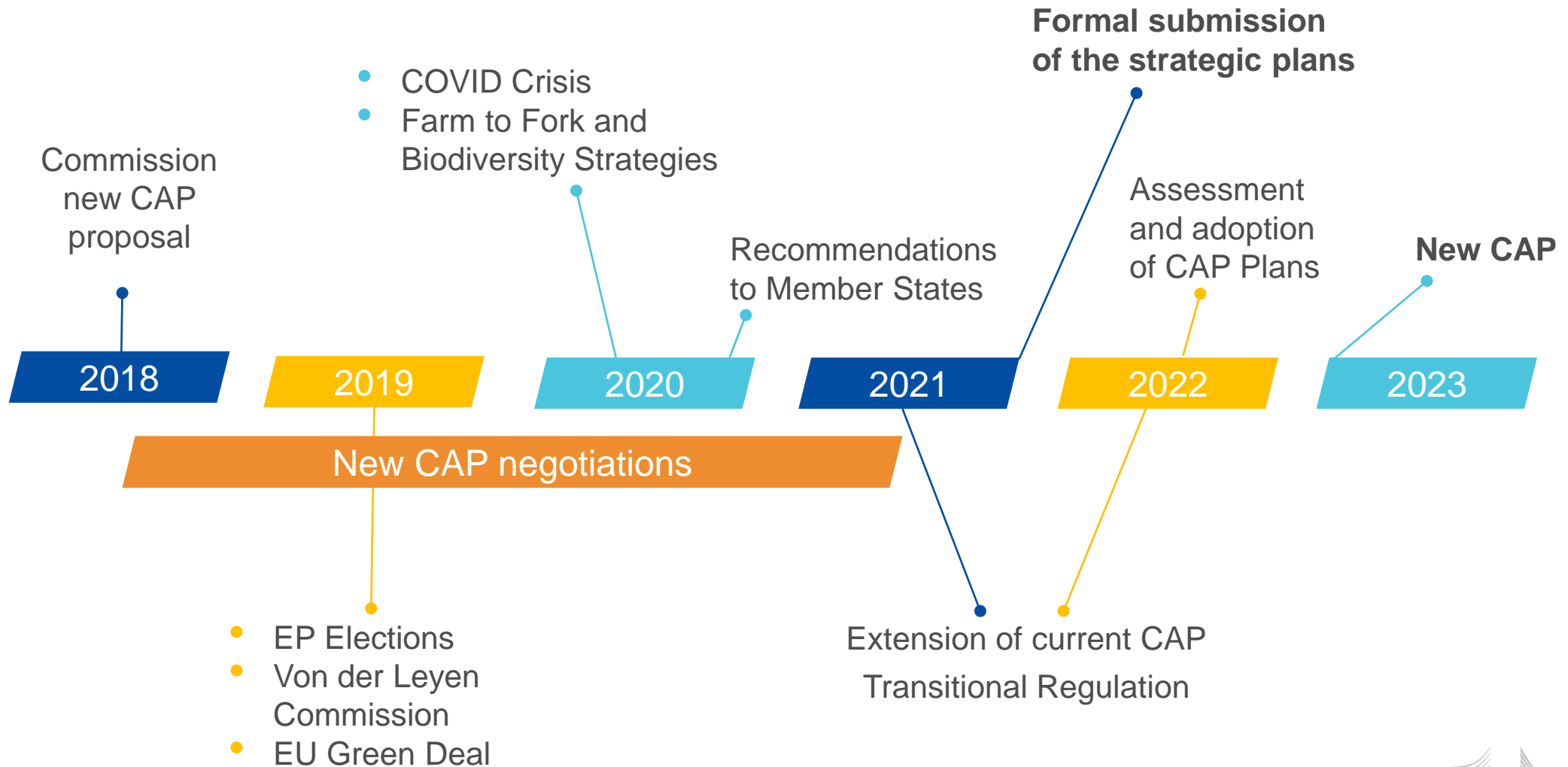
Gaëlle MARION
Unit F1, DG AGRI



#FutureofCAP

General timeline

Timeline

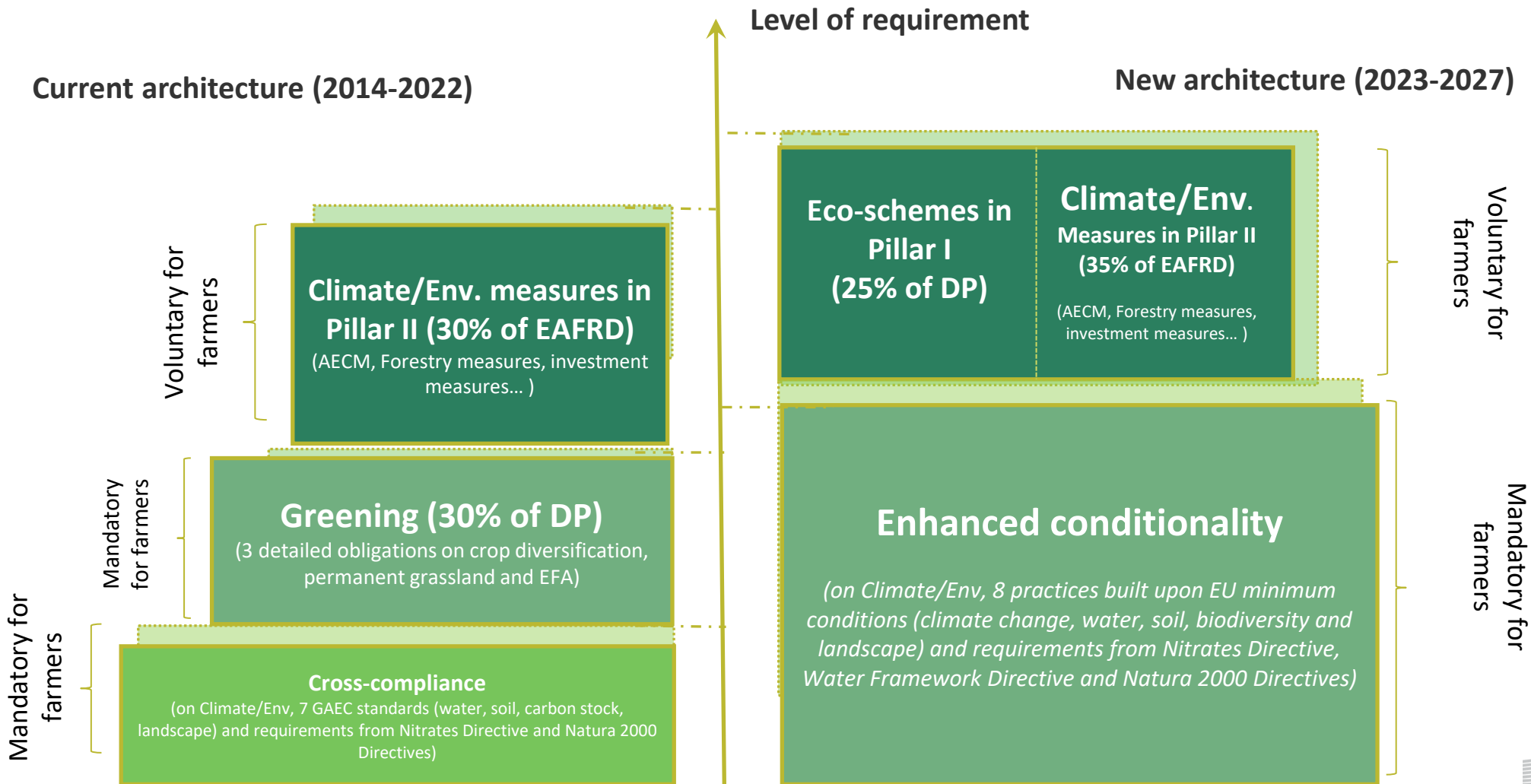


Highlight on some new/enhanced elements in the political agreement

Fairer distribution of support

- New **active farmer** definition
- Obligation to analyse **needs for redistribution** to smaller farms + compulsory redistributive payment with at least 10% of the DP envelope (but possibility to opt out if needs addressed by other tools in the 1st pillar)
- **Capping** of payments will be optional (in line with EUCO conclusions)
- At least 85% **internal convergence** by 2026 to bring values of payment entitlements within Member States closer together
- **External convergence** to bring average level of payments between Member States closer together

The new Green architecture



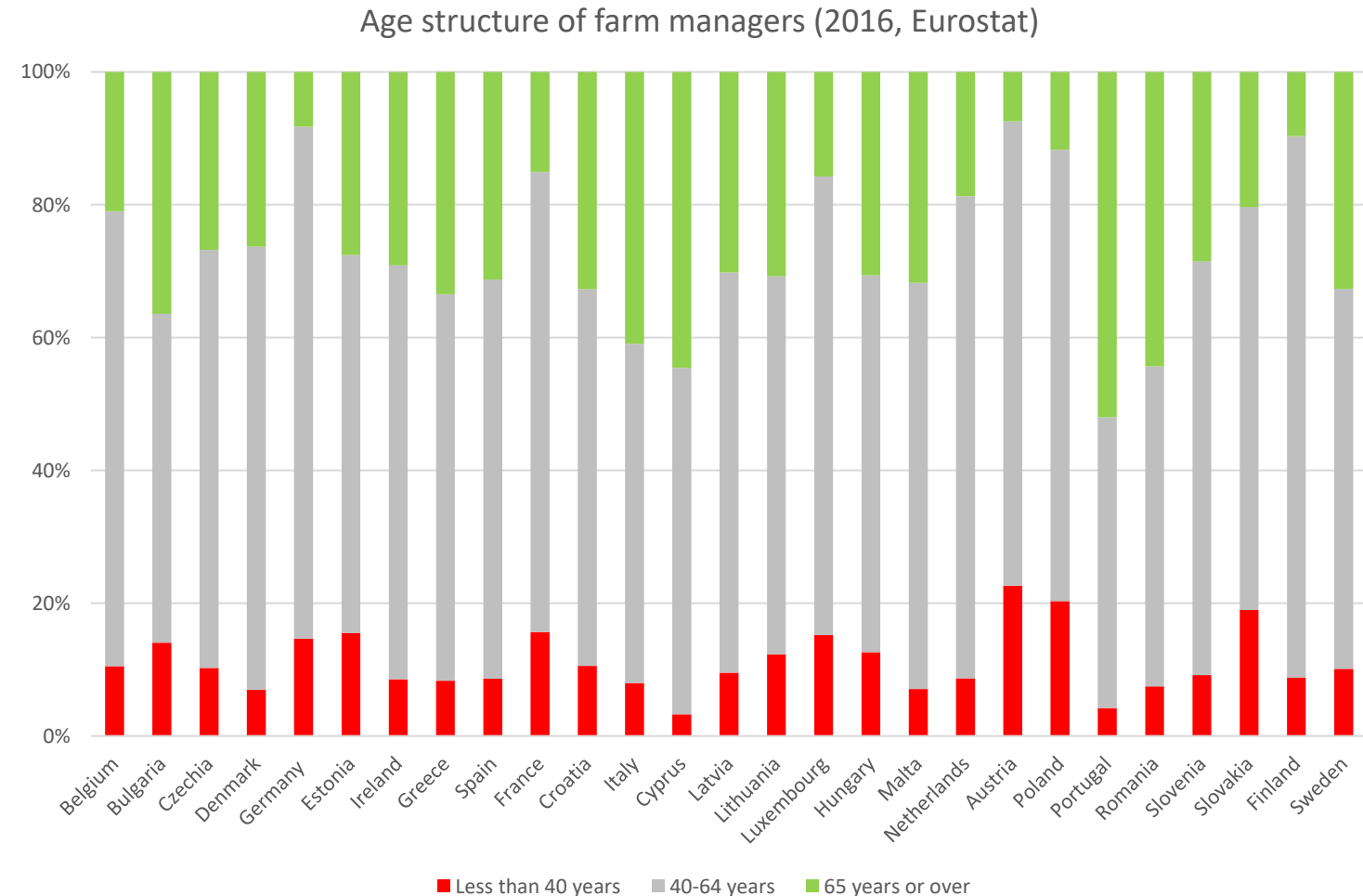
Eco-schemes

- Voluntary tools to be offered by Member States to farmers
- **25% of direct payments budget**, coupled with a “rebate system”
- 2 year “learning period” (with a “floor system”)
- Annual or multi-annual commitments
- Support many types of voluntary action going beyond conditionality and other relevant obligations – e.g. practices related to better nutrient management, agro-ecology and carbon farming

Attracting young and other new farmers

New strategic approach to address the challenge of generational renewal

- **Higher support to young farmers** who set up a farm
- At least **3%** of every Member State direct payments envelope must be used to support young farmers
- This support may be granted as enhanced income support for newly set-up young farmers, investment support or start-up aid for young farmers



Social Dimension

- **Advice** to be provided via the Farm Advisory System
- Sectoral interventions may be used for **improving employment conditions** in sectors such as fruit and vegetables, hops, olive oil and table olives
- **CAP payments** will be **linked to respecting the rights of workers, so-called ‘social conditionality’**
 - ✓ Labour authorities in MS will inform Agricultural Paying Agencies once a year on cases of non-compliance
 - ✓ Paying Agencies will apply a reduction to the payments to the farmer when problem is identified



Focus on rural development -
new elements, adjustments
or clarifications

➤ **Management commitments (Art 65)**

- 24 month derogation for new requirements stemming from national law going beyond the baseline
- No baseline for commitments for maintenance of agroforestry and afforestation
- Payment only per hectare for AECC and organic farming (open for forest-environment-climate commitments)
- Payments as lump sum possible (if duly justified)
- Revision clause included

➤ **ANC payments (Art 66)**

- No new designation, only fine-tuning possible

➤ **Natura 2000/WFD (Art 67)**

- Payments granted to farmers, forest holders and their associations as well as other land managers
- Full or partial compensation of costs incurred / income foregone, including transaction costs

➤ **No maximum rates for IACS interventions**

➤ Investments (Art 68)

- Negative list now also includes:
 - ❑ Purchase of land > 10%
 - ❑ Purchase of animals and plants, other than: restoration, livestock protection, machinery replacement in forestry, endangered breeds and genetic resources
 - ❑ Large-scale infrastructure, other than: broadband and flood/coastal protection

➤ Investments (Art 68)

- Maximum support rates:
 - ❑ 65% - normal
 - ❑ 80% - green, young, outermost and animal welfare
 - ❑ 85% - small farms
 - ❑ 100%
 - ✓ afforestation, agro-forestry, land consolidation in forestry and green non-productive investments
 - ✓ investments in basic services in rural areas and infrastructure in agriculture and forestry
 - ✓ restoration and preventive actions, maintaining the health of forests
 - ✓ Non-productive investments by LEADER and EIP groups
- Investments for meeting new EU standards for a period of 24 months

➤ Irrigation (new separate article)

- Builds on current legal framework (Art 46 R1305/2013)
- Similar conditions for modernization and expansion with two main differences:
 - Modernisation: potential water savings / effective reduction in water to be included in CAP Plans (minimum % no longer in basic act)
 - Expansion: derogations for net increases of irrigated area in areas under stress no longer permitted
 - -> expansion only possible if: 1) water body affected not under stress and 2) environmental analysis shows no significant negative environmental impact
- Specific conditions for reservoirs
- Reference to new Regulation on minimum requirements for water reuse (R 2020/741)

➤ Start-up aid (Art 69)

- rural businesses linked to agriculture or forestry including the setting-up of new farmers (*clarification*)
- business start-up of non-agricultural activities in rural areas possible if related to local development strategies

➤ Risk management (Art 70)

- Voluntary
- Stand-alone working capital possible for farmers who do not participate in a risk management tool.

➤ Cooperation (Art 71)

- Specific reference to Smart Villages

➤ Knowledge exchange and information (Art 72)

- Support for advisory services aligned with FAS
- Support rate up to 100%

➤ Financial management

- Single co-financing rate at national or regional level, with maxima:
 - 85% less developed, 80% outermost, 60% transition, 43% general;
 - 65% ANC, 80% green and EIP/Leader (applicable if higher than the standard rate)
- Transfers 25-30% between pillars + 15% to EAFRD for green interventions + 2% aid installation YF

➤ Ring-fencing requirements (Art 86)

- Min 35% Green EAFRD ring-fencing (Art 86.2), with clear reference to
 - ❑ Management commitments (Art 65) (including animal welfare)
 - ❑ 50% ANC payments (Art 66)
 - ❑ N2000 / WFD payments (Art 67)
 - ❑ Green and AW investments benefiting from higher support rate (Art 68)
- Min 3% Young farmer ring-fencing (Art 86.4), including
 - ❑ Top-up payments (Art 27)
 - ❑ Setting-up aid (Art 69)
 - ❑ 50% investments by young farmers benefiting from max. 80% support rate (Art 68)

➤ Ring-fencing requirements (Art 86)

- Min 5% Leader (Art 86.1)
- Max 4% Technical Assistance (Art 86.3)
 - For MS with EAFRD 1,1 billion EUR, max 6%

➤ Performance Model

- Performance review in 2025, 2026 and 2027 with action plans/remedial actions, on a limited set of result indicators (20)
- Deviation from milestones: 35%, 35% and 25%
- Suspension mechanism can only be triggered in 2025 and 2027

Preparation of secondary legislation

Implementing and Delegated Acts necessary to complete the legislative framework

- Adoption and formal procedure (like voting in a committee before adoption) can only take place after the basic acts (the three regulations) are in force, i.e. after publication in the OJEU.
- DG AGRI is working to have the **urgent** texts adopted as soon as legally feasible.
“Urgent” = texts the MS will **need** for submitting their CAP strategic plans to the Commission.
- 1st rounds of discussions within expert groups started in September
- 2nd round of discussions should finish by 20 Nov

Implementing and Delegated Acts - planning

CAP SP Regulation

DA for interventions	DA GAEC 1 DA sectoral interventions DA hemp provisions DA cotton provisions DA Animal Welfare (RD) DA Genetic Resources (RD) DA Quality schemes (RD)
IA for interventions	IA sectoral interventions – wine IA cotton provisions IA Blair House Agreement oilseeds IA visibility publicity
IA CAP plan content	IA CAP Plan content

Click to add text

Horizontal Regulation

DA on governance bodies, performance framework and clearance and common provisions
DA on management and control systems and penalties
IA on management and control systems and penalties

Thank you



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