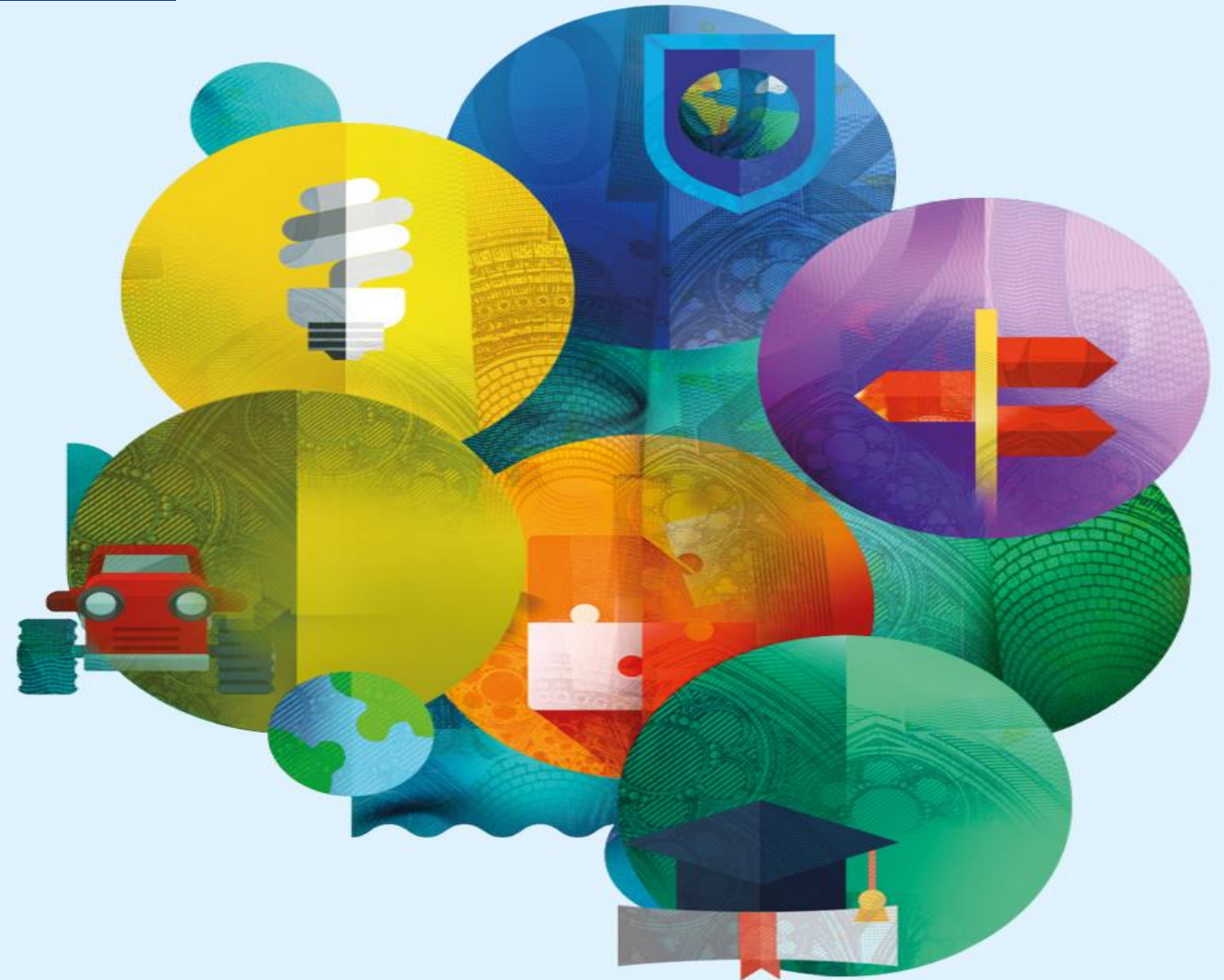




State of play of discussions on CAP legal proposals related to LEADER

*Guido Castellano
Karolina Jasińska-Mühleck
DG AGRI, European Commission*

LEADER sub-group – 04/02/2020



#FutureofCAP

Towards a new CAP post-2020 – indicative timing

2 May 2018

Commission proposals on the EU budget 2021-2027

1 June 2018

Commission legal proposals on the CAP post-2020

2018-2020

Debate in European Parliament and Council

2020

Trilogues, approval of regulations and secondary acts

2021

Transition

CAP Plan approval

2022

Implementation of CAP Plans



CAP reform proposals – European Parliament

- May 2019: European Parliament **Elections**
- **4 September 2019**: COMAGRI **decision to resume** work on CAP proposals and submit reports to Plenary.
- Mid-September 2019: rapporteurs confirmed
 - SPR – Jahr (EPP/DE)
 - HZR – Mueller (RE/DE)
 - CMO – Andrieu (S&D/FR)
- **5 December 2019**: COMAGRI approved a list of points/articles to be re-opened. Objective: political groups to table amendments directly to Plenary for adoption by June 2020 (no vote in COMAGRI).

CAP reform proposals – European Parliament

COMAGRI report (April 2019)

main points raised

➤ Rural Development:

- Overly detailed specifications of the types of interventions

➤ New Delivery Model - CAP Plans, performance clearance and performance review

- Fear risk of renationalization – more EU-based requirements (> compliance, < performance)
- CAP Plans to include in annex “regional intervention programmes”
- No strict annuality of planning (milestones and financial plan information could be multi-annual “where appropriate”) and of performance monitoring (performance reports and review meetings)

CAP reform proposals – European Parliament

COMENVI compromise amendments (April 2019)

Some key issues

- Reformulation of objectives with stronger stance on environmental ones
- Setting of targets at the level of impact indicators
- Investments: demonstrate no negative effect on environment; extended negative list
- Ring-fencing EAFRD: 40% for environment (but including ANC)

CAP reform proposals – Council

- June 2018: **presentation** by the Commission of reform package in AGRIFISH
- December 2018: **AT** Presidency final **Progress Report** on 3 Regulations
- June 2019: **RO** Presidency final **Progress Report** on 3 Regulations
- July 2019: **FI Presidency**
 - Informal Council (September) – Carbon sequestration
 - **October Council** – state of play
 - **November Council** – Higher environmental-climate ambition of the CAP
 - December 2019: **Progress Report on 3 Regulations**

Croatian Presidency

- **Partial General Agreement on Transitional Regulation: end of March**
- **Partial General Approach on CAP Package by end of the mandate (also depending on MFF agreement)**
- **Main “open” points:**
 - **Performance clearance: planning of unit amount for non area/animal-related interventions and justifications for deviations**
 - **Performance review: frequency and triggering level of deviation for possible action plans; list of relevant Result Indicators**
 - **Deadline for submission of annual performance report**
 - **Environmental/climate ambition: “ring-fencing”**

Ongoing discussions on LEADER

- Cooperation – specification regarding eligibility of LEADER operations: Union rules and requirements for similar operations covered under Investments to be respected
- **Planning of targets and milestones as a two-step process:**
 - Drafting and approval of CAP SP
 - After selection of LDS

LEADER – Planning: Drafting and Approval of CAP SP

(1) Choose a result indicator that...

...is linked to specific objective h_b

...can incorporate contributions from LEADER

Number of new jobs (R31)

% population covered by SV strategy (R33)

% population covered by LDS (R31a)

% population covered by social inclusion projects (R35)

(2) Attribute this RI to the LEADER intervention(s) in the CAP SP

(3) When planning milestones and targets for this RI...

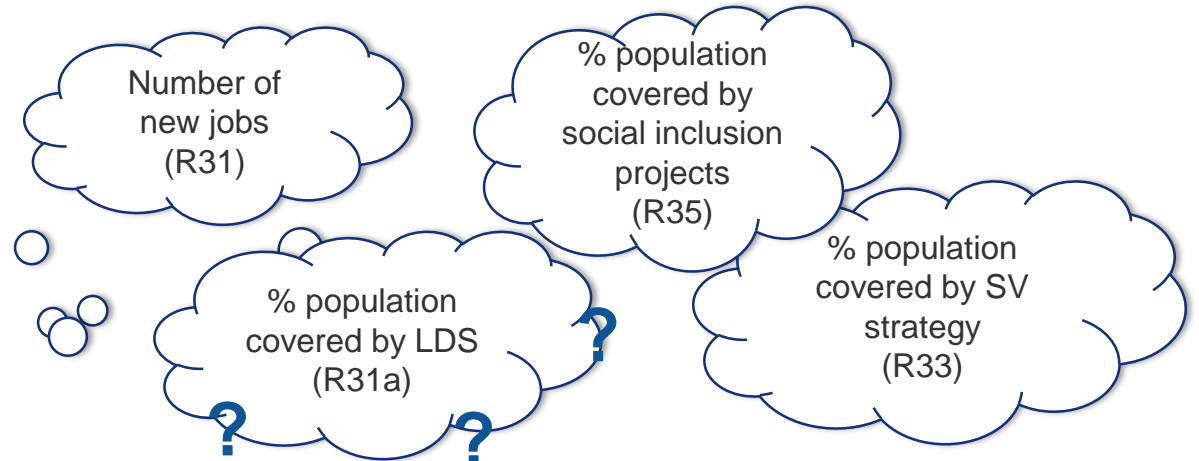
...take the expected contributions from LEADER into account

What about preparatory support?
Does not need to be taken into account for targets and milestones

LEADER – Planning: Drafting and Approval of CAP SP

Amend the CAP SP and...

...based on the design of the LDS



(1) Attribute other RI where LEADER is expected to make a contribution

(2) Adjust targets and milestones for those RI to take the expected contributions from LEADER into account



LEADER – Links between LDS and RI

	R.31a	R.23a	R.31	R.32	R.33	R.34	R.35
	LEADER coverage	ENV/CLIMA through investment in rural areas	Jobs created	Developing rural bio-economy	Rural population covered by a supported SV strategy	Connecting rural Europe (improved service & infrastructure)	Promoting social inclusion
Local development strategy, LAG Our Poppyland	√		√		√	√	
Local development strategy, LAG Pays de Merveilles	√		√			√	√
Local development strategy, LAG Green fields	√	√	√	√			
CAP Strategic Plan	√	√	√	√	√	√	√

Common Provisions Regulation – key points

- **Trilogues finalised for Bloc 1 on Programming, incl. territorial instruments**
 - Some open issues left, to be discussed at the end of the negotiations, incl. the place of EAFRD in the CPR
 - Trilogues expected to be completed by summer with the adoption of the CPR by end 2020
- **Informal negotiations of ERDF programmes underway to enable smooth approval upon the adoption of the legal framework**

Commission - Key points of the Transitional Regulations (1/3)

- Swift agreement on the CAP reform proposals remains the priority
- Current state of the legislative process makes it impossible to start the CAP Strategic Plans by 1/1/2021
- Transitional year 2021 to ensure continuity of CAP support based on current rules

Key points of the Transition Regulations (2/3)

Flexibility Regulation

- **Continuity of CAP support in calendar year 2020 (financial year 2021)**
- **Technical**
- **Adopted in Dec. 2019**

Transitional Regulation

- **Continuity of CAP support under both pillars in 2021**
- **Easing Transition to CAP Plans**
- **Adoption necessary by summer 2020**

Key points of the Transitional Regulations (3/3)

➤ Transitional regulation

- **Continuity of CAP support** under both pillars in 2021 and under current rules
 - One year transition (2021 → end of RD implementation period: 2024)
 - Update of 2021 amounts (Direct Payments, Rural development, sectoral aid programmes, Outermost regions and small Aegean islands)
 - Adaptations of rules to continue support in 2021
- **Easing Transition to CAP Plans**
 - Sectoral aid programmes: Timeframe adaptations for programmes
 - Carry-over of expenditure from previous programming periods into CAP Strategic Plan

LEADER

- LEADER will continue to be supported until the end of the implementation period of the RDPs (2023 or 2024) in accordance with the current rules
- Art. 4: EAFRD may support multi-funded CLLD to be set up in accordance with the rules of the new CPR
- Art. 4 applies to the extended & non-extended RDPs

LEADER

- In practical terms: In 2021, EAFRD can support under RDPs the preparation & possibly the selection of multi-funded local development strategies to be able to engage at the same time as the other funds.
- To sum up:
 - Current strategies continue;
 - Possibility to prepare (and select) new multi-funded strategies.

LEADER

- **Ring-fencing:** the obligation to reserve at least 5% of the total EAFRD contribution for LEADER continues to apply (including 2021 allocations).
- Exception (Art. 8(7)) TR: In the case of the extended RDPs, amounts transferred from pillar I to pillar II (notified in 2019; belonging to 2021 allocations) will not be taken into account for the calculation of the 5% ring-fencing.
- Non-extended RDPs: Amounts transferred from the I pillar will be added to 2022-2025 allocations and follow the rules of the CAP Strategic Plans.

Lead fund (LF) option – now and post 2020

2014-2020

- Chosen fund covers the costs of preparation, management and animation of a multi-funded strategy
- Projects follow **fund-specific procedures**

2021-2027

- Chosen fund covers the costs of preparation, management and animation of a multi-funded strategy
- Projects follow the **lead fund procedures** (LF not necessarily the one covering costs of preparation, management and animation)

What do « the rules of the lead fund » (art. 25 par. 5) cover?

Lead fund

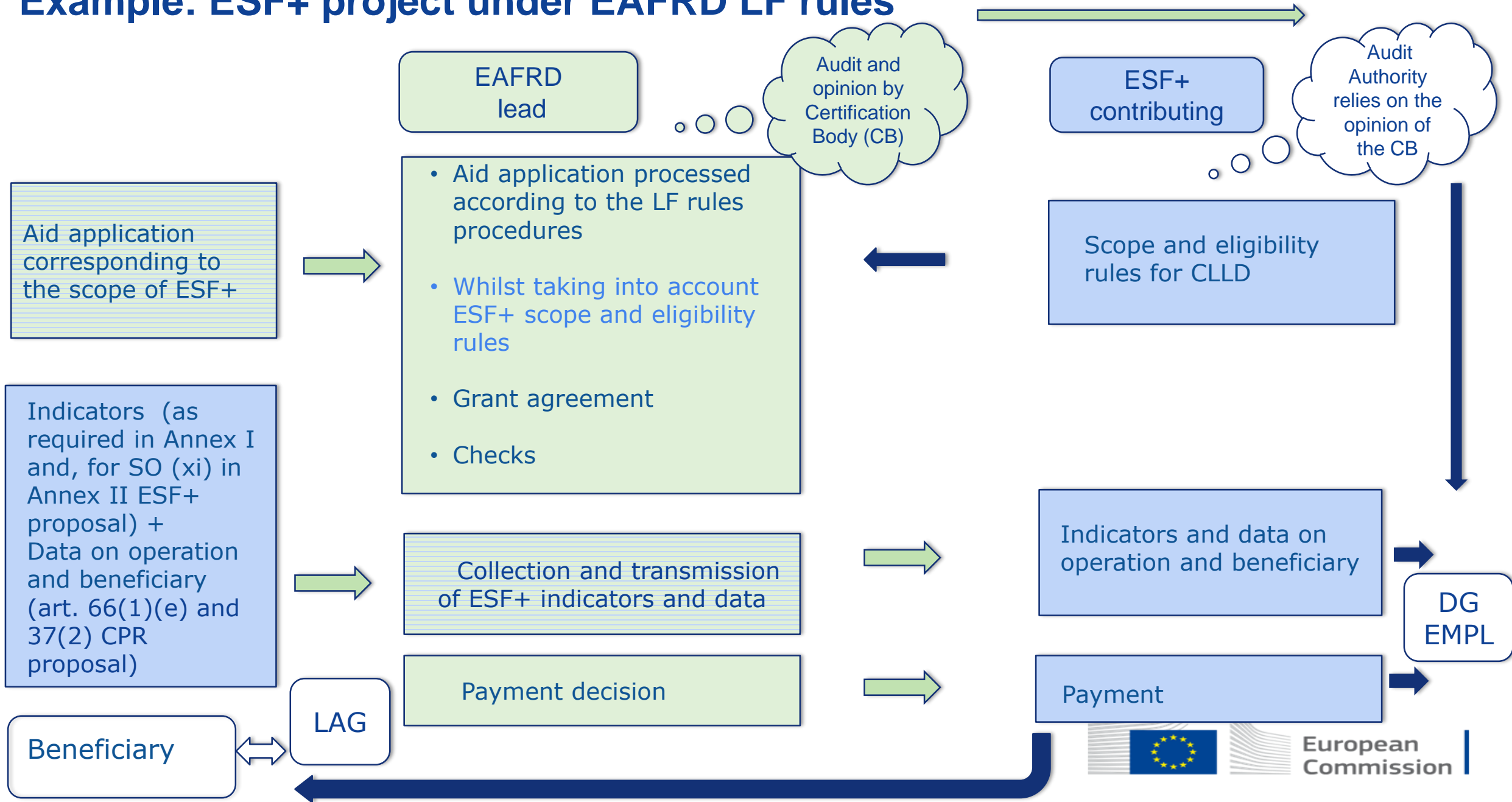
- Decisions, management rules and their verification (incl. eligibility checks, grant and payment decisions, controls, possible corrections/penalties)
- Delivery mechanisms

Contributing fund

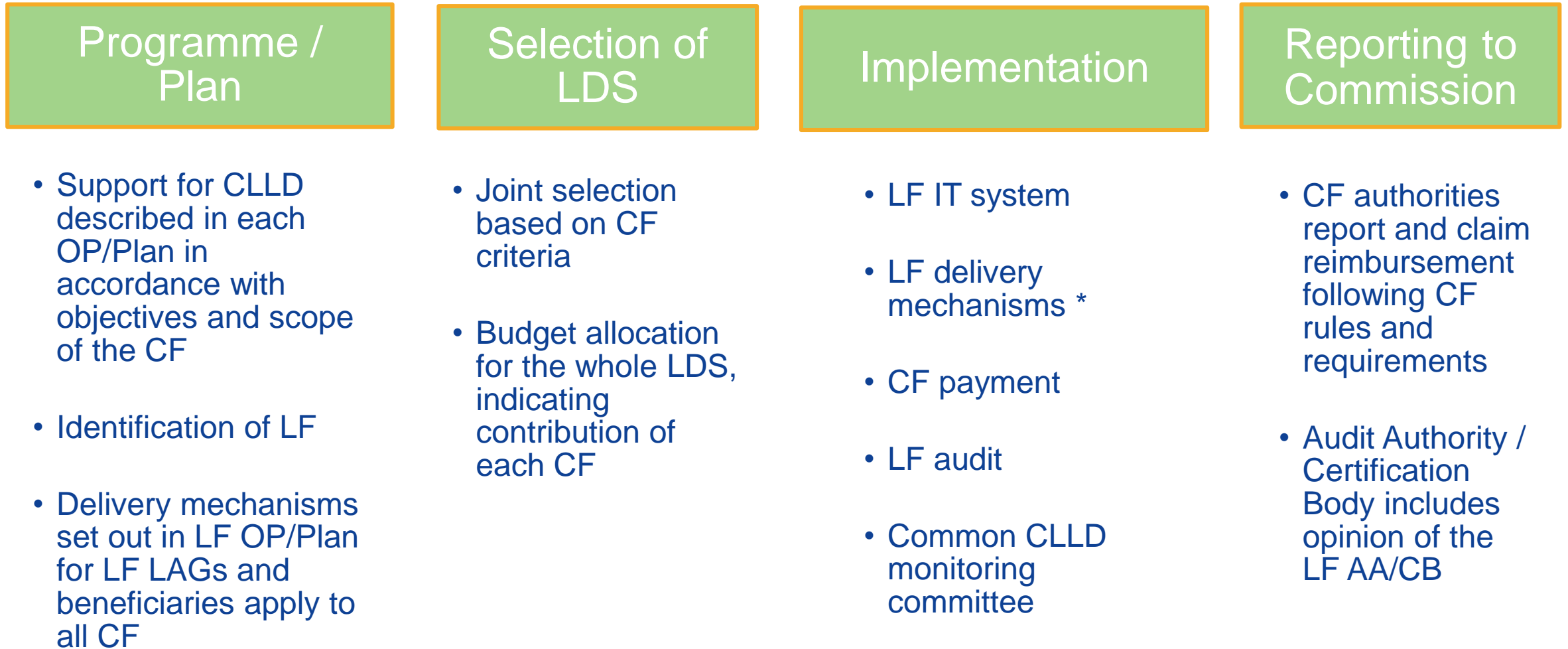
- Scope and eligibility rules
- Monitoring data
- Payments

LF authorities handle all matters with beneficiaries except for making payments.

Example: ESF+ project under EAFRD LF rules



Relationship between lead fund (LF) rules and contributing fund (CF)



* Whilst ensuring the CF scope, eligibility rules and monitoring requirements