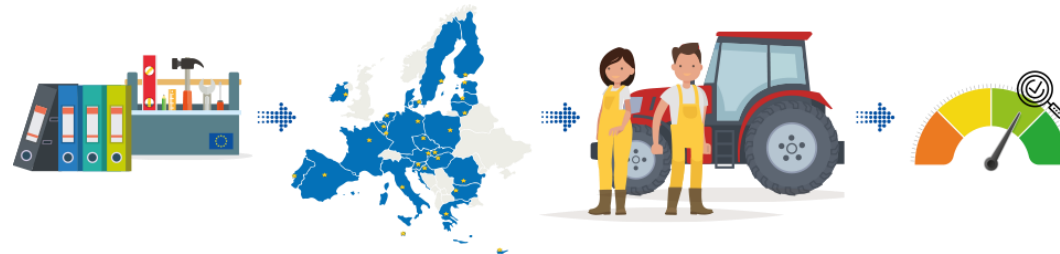




Opportunities for interaction of EAGF and EAFRD under a common planning strategy

ENRD seminar 'Key Steps for CAP Strategic Planning'

23 OCTOBER 2018



A STREAMLINED CAP PLAN

- **26** Direct Payments notifications per MS
- **118** rural development programmes
- **65** sectorial strategies



27 CAP plans

- How will it work in practice?
- At which level will these synergies materialise?
- What examples?

1- A JOINT NEEDS ASSESSMENT PER SPECIFIC OBJECTIVE

- A joint SWOT - per objective *specifying where relevant:*
 - **An analysis of territorial aspects**
 - **An analysis of sectoral aspects**
- A description of needs – per objective

Specific objective:

Support viable farm income and resilience across the Union to enhance food security:



SWOT & needs assessment:

- Farming sector lagging behind in income compared to the rest of the economy
 - **Analysis per sectors (including income volatility issues)**
 - **Analysis per territories**
- Farm structure & demographics are changing
- Specific needs in terms of risk management
- ...

Context (impact) indicators:

- I.2 Evolution of agricultural income compared to general economy
- I.3 Evolution of agricultural income
- I.4 Evolution of agricultural income level by sectors
- I.5 Evolution of agricultural income in areas with natural constraints

⇒ sectors in difficulties: S1, S2, S3

⇒ territories with constraints: T1, T2, T3

⇒ Types of farms with specific needs: F1, F2, F3

⇒ ...



2- A JOINT STRATEGY PER OBJECTIVE

- Selection of the interventions, following a sound intervention logic
- Targets for each relevant common and, where relevant, specific result indicators and related milestones
- Allocation and justification of financial resources

Strategy: combining interventions PI-PII

Simplified EXAMPLES

Specific objective:

Support viable farm income and resilience across the Union to enhance food security:

INTERVENTIONS TO ADDRESS THE NEEDS

1. Basic income support in Territory T1
2. Basic income support in Territory T2
3. Basic income support in other areas
4. ANCs-mountain areas (e.g. Territory T3)
5. CRISS - Higher support rate for the first X hectares ensuring redistribution to F2 and F3
6. Round-Sum for small farmers (e.g. F1)
7. Income stabilization tool for sector S3 with high volatility

Consistency to be checked also looking at: definitions (e.g. genuine farmers), minimum requirements for DP, eligibility conditions for each interventions, reduction and capping...

Outcomes of the needs assessment:

- ⇒ territories with constraints: T1, T2, T3
- ⇒ Types of farms with specific needs: F1, F2, F3
- ⇒ Sectors in difficulties: S1, S2, S3
- ⇒ ...

Setting of targets, e.g.:

- R.4 Share of UAA covered by income support and subject to conditionality CAP support
- R.5 Share of farms with CAP risk management tools
- R.6 Percentage additional support per hectare for eligible farms below average farm size
- R.7 Percentage additional support per hectare in areas with higher needs

Specific objective:

Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation



INTERVENTIONS TO ADDRESS THE NEEDS, e.g.

Competitiveness through enhanced added value:

1. Coupled income support for breed X in sector S1 (e.g. sheep), for animals under selection control programmes (important for quality schemes)
2. Support for new participation in quality schemes

Competitive farming sector for the bio-industry

1. Coupled income support for non-food products which substitute a fossile material (sector y, in difficulty) in a given bio-industry sector
2. Investments related to renewable energy and products
3. Cooperation for innovations in the bio-industry
4. Related trainings

Outcomes of the needs assessment:

- ⇒ sectors in difficulties: S1, S2, S3
- ⇒ Potentials for strengthening bio-economy in sectors x, y, z...
- ⇒ ...



Setting of targets, e.g.:

- R.8 Share of farmers benefitting from coupled support for improving competitiveness, sustainability or quality
- R.9 share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency



Specific objective:

Contribute to climate change mitigation and adaptation, as well as sustainable energy

INTERVENTIONS TO ADDRESS THE NEEDS, e.g.

Enhancement of wetland and peatland:

❖ *Relevant GAEC: n° 2 'appropriate protection of wetland and peatland' (e.g. low tillage on designated peatland areas)*

1. Eco-scheme for applying new dry-rewetting techniques
2. AECM for restoration of peatlands to natural systems

Consistency of intervention to be checked with **conditionality** + links to be ensured between interventions, targets and **long-term National targets** emanating from env/climate legislative instruments

Outcomes of the needs assessment:

- ⇒ Reinforced protection of wetland and peatland (y%)
- ⇒ ...
- ⇒ ...

Setting of targets, e.g.:

- R.14: Share of agricultural land under commitments to reduce emissions, maintain and/or enhance carbon storage (permanent grasslands, agricultural land in peatland, forest, etc.)

Specific objective:

Foster sustainable development and efficient management of natural resources such as water, soil and air

INTERVENTIONS TO ADDRESS THE NEEDS, e.g.

Reinforcing soil coverage on arable land:

❖ *Relevant GAEC 7: no bare soil in most sensitive periods (e.g. from end September to end February)*

1. Eco-scheme for catch crops after cereals in summer
2. AECM for soil care combining e.g. catch crop specific mix of seeds + mechanical destruction of catch crop + no input

Consistency of intervention to be checked with **conditionality** + links to be ensured between interventions, targets

Outcomes of the needs assessment:

- ⇒ Soil coverage to be reinforced in vulnerable territories (x% of UAA)
- ⇒ ...
- ⇒ ...

Setting of targets, e.g.:

- R.18 Improving soils: Share of agricultural land under management commitments beneficial for soil management

Specific objective:

Attract young farmers and facilitate business development in rural areas



INTERVENTIONS TO ADDRESS THE NEEDS

Access to finance and support during start-up:

1. Support for the first installation
2. Complementary income support for YF
3. Investments support

Access to knowledge & advice:

1. Transfer of knowledge
2. Advice
3. Mobility and cross-border learning for young farmers (Erasmus)
4. Young Farmers Hub

Outcomes of the needs assessment:

- ⇒ Insufficient installations of YF to ensure generational renewal in the long term
- ⇒ Key barriers: access to finance for setting-up, low income level in first years after setting-up...
- ⇒ ...



Setting of targets:

- R.30 Generational renewal: Number of young farmers setting up a farm with support from the CAP



For MS keeping payments entitlements (DP), the reserve should serve in priority young (and new) farmers

**Strategy: setting targets combining outputs
from interventions PI-PII**

EXAMPLE

Linking interventions to result indicators: an example

R.18 (improving soils): share of agricultural land under management commitments beneficial for soil management

Interventions included in a given CAP Plan and contributing to the planned target level of R18:

- Number of hectares covered by soil protection and soil quality eco-scheme(s) (CES)
- Number of hectares (agricultural) covered by specific soil - related management commitments (CMC)
- Number of hectares covered by organic farming (OF)

No double counting
of the same Ha!

$$\frac{\text{CES} + \text{CMC} + \text{OF}}{\text{Total number of ha of agricultural land}} = \text{R.18 in \%}$$

Strategy: Allocation and justification of financial resources

Financial Aspects: the balance to be found PI-PII

FLEXIBILITY BETWEEN PILLARS

As maxima:

- 15% DP => RD
- 15% RD => DP
- +15% from DP to RD for env or climate interventions
- +2% from DP to RD for young farmers
- +possibly, whole or part of product of capping
- 1 mid-term review (2023)

■ *No compulsory co-financing for RD interventions financed with EAGF*



3- OTHER ASPECTS ENSURING SYNERGIES BETWEEN ALL TYPES OF INTERVENTIONS UNDER THE CAP PLANS

- A joint preparation of the Plan:
 - **Partnership inclusive of all stakeholders**
- Governance bodies:
 - **E.g. a joint Monitoring committee**
- Evaluations:
 - **By objective rather than by instruments**
- Etc.

4- A FULL EXAMPLE ON WATER

Objectives, impact indicators, legislation (selection)

1. EU specific objectives

- Foster sustainable development and efficient management of natural resources such as **water**, soil and air



2. EU impact indicators

- I.15 "Improving water quality: gross nutrient balance on agricultural land"
- I.16 "Reducing nutrient leakage: nitrates in groundwater – percentage of groundwater stations with N concentration over 50 mg/l as per the Nitrates Directive"
- I.13: "Reducing pressure on water resources: Water Exploitation Index +"

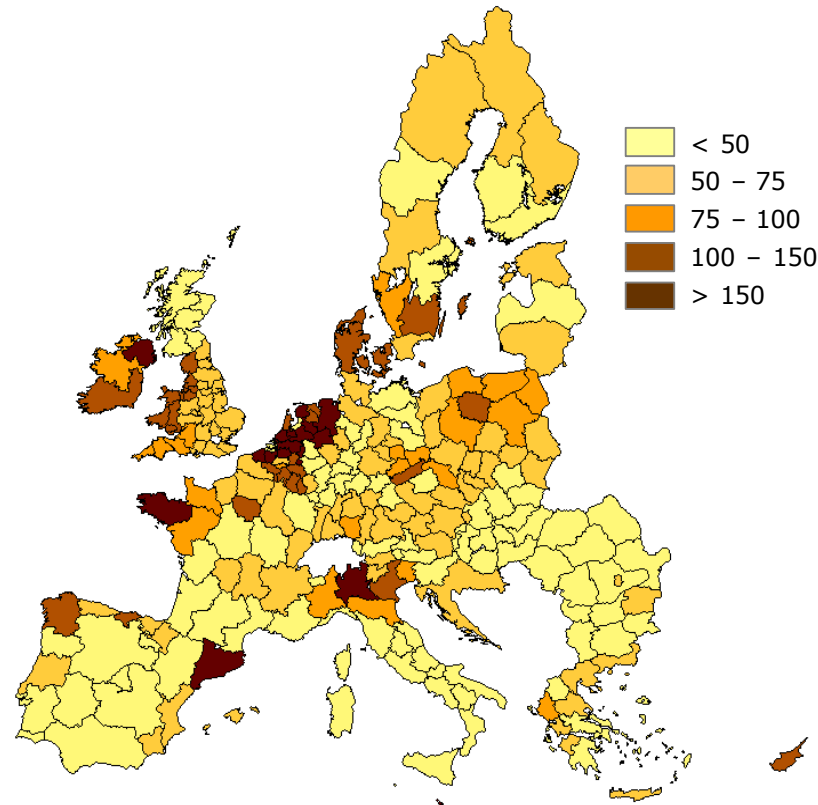


3. Examples of links to other EU legislation

- Water Framework Directive: good status of water bodies of river basin districts
- (Nitrates Directive & others)

No excuses for not using objective evidence!

N surplus by 2030, (kg N / ha)



CAP strategic plans and water

4. Identification of needs in MS's CAP strategic plan

- SWOT analysis concerning every aspect of sustainable development / efficient management of natural resources, including water
- Link highlighted to existing relevant environmental legislation and related objectives (e.g. Water Framework Directive, need to bring water bodies to "good status")



5. Contribution of MS's CAP plan to EU objectives

- The CAP plan shows:
 - how it will help achieve the objective of sustainable development / efficient management of natural resources overall, including water;
 - within that framework, what contribution it will make to helping achieve good status of water bodies, as required by the Water Framework Directive.
- Targets set (at level of result indicators)
- Related interventions, planned outputs for these and financial allocations



6. Performance of MS's plan and of whole CAP

- Progress towards achieving targets monitored annually (+ monitoring at intervention level)
- Longer-term evaluation of policy performance based on impact indicators

Relevant future CAP instruments (1): water-relevant elements of conditionality

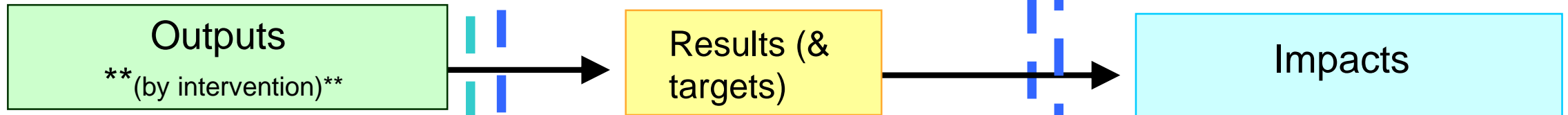
- SMR 1: **Water Framework Directive** - arts. 11(3)(e) and 11(3)(h)
- SMR 2: **Nitrates Directive** - arts. 4 & 5
- GAEC 4: Establishment of **buffer strips** along watercourses
- GAEC 5: Use of **Farm Sustainability Tool for Nutrients**

Relevant future CAP instruments (2): example of further choices by a MS

- **"Pillar I eco-schemes"** with water-related elements
 - E.g. buffer strips going beyond conditionality requirements, with riparian vegetation
- **Pillar II area payments** for voluntary management commitments related to water
 - E.g. fertiliser use reduction, limitation of livestock density, organic farming
- **Investment support**
 - E.g. in more efficient irrigation systems, manure management facilities (beyond legal obligations)
- Support for **knowledge transfer** related to water

(N.B. Various types of area-based commitments could be funded in Pillar I or Pillar II, according to MS preferences.)

Outputs, results, impacts (for instruments in previous slides)



- Number of ha subject to **relevant** GAEC standards
- Number of ha covered by **relevant** Pillar I eco-schemes
- Number of ha (agricultural) covered by **relevant** environment/climate commitments going beyond mandatory requirements
- Number of ha with support for organic farming
- Number of **relevant** supported on-farm investments
- Numbers of farmers trained/given advice (**relevant**)

- **R20** Share of agricultural land under management commitments for water quality
- **R21** Share of agricultural land with commitments related to improved nutrient management
- **R22** Share of irrigated land under commitments to improve water balance
- **R23** Share of farmers with support in investments related to care for the environment/climate
- **R24** Share of farmers receiving support for advice/training related to environmental/climate performance

- **I15** Gross nutrient balance on agricultural land
- **I16** Percentage of groundwater stations with N concentration over 50 mg/l
- **I17** Water Exploitation Index+