COMMON AGRICULTURAL POLICY post-2020

SIMPLIFICATION AND MODERNISATION

#FutureofCAP
Outline

1. The big picture:
   • Multiple demands
   • Rethinking the governance/subsidiarity

2. Simplification
   • The path of simplification
   • A simplified EU framework
   • Examples

3. A new partnership
MULTIPLE DEMANDS TO THE NEW CAP

SIMPLIFICATION
- Reduce administrative burden

PERFORMANCE BASED SYSTEM
- Ensure policy results

BETTER TARGETING
- Rules with better links to local realities

KEEP STRONG COMMON ELEMENTS
- Keep a level playing field
  Enhanced ambition
SUBSIDIARITY RETHINKING THE GOVERNANCE
### SUBSIDIARITY RETHINKING THE GOVERNANCE

<table>
<thead>
<tr>
<th>Rules at EU Level</th>
<th>Rules at MS Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To maintain</strong></td>
<td><strong>• Flexible</strong></td>
</tr>
<tr>
<td>- Common nature</td>
<td>• Needs based</td>
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<tr>
<td>- level-playing field</td>
<td>• Better targeted</td>
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<tr>
<td>- EU added value</td>
<td>• More transparent</td>
</tr>
<tr>
<td>Fewer RULES</td>
<td>• Closer to farmers reality</td>
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- Flexible
- Needs based
- Better targeted
- More transparent
- Closer to farmers reality
THE PATH OF SIMPLIFICATION
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"Simplification: one of the core priorities of my mandate "

2014 beginning of my mandate. Commission set simplification as clear priority - first wave of proposals

CMO Lisbon alignment:
- reduce regulations from more than 200 to 40.
- automated notifications: number of notifications decreased by 60 %.

Greening review:
14 amendments on crop diversification and EFA requirements

Omnibus:
simplification elements on DP, RD and CMO

67 simplification proposals
(Spring 2017)
Some already addressed, 2/3 covered in the new CAP
STREAMLINED REQUIREMENTS
STREAMLINED REQUIREMENTS FOR ENVIRONMENTAL AND CLIMATE ACTION

CROP ROTATION
only 1 requirement is kept at EU level

CURRENT CAP

Crop diversification under greening

☑ Definition of crops based on the botanical classification (Genus)
☑ Between 10 and 30 ha: minimum 2 crops
☑ Beyond 30 ha: minimum 3 crops
☑ Maximum share of the main crop: 75%
☑ Maximum share of the two main crops: 95%

FUTURE CAP

Crop rotation under conditionality

☑ Crop rotation based on needs

Member States will have the opportunity to define crop rotation requirements that are better adapted to farming systems whilst aiming for a high level of ambition for environment and climate
Crop diversification under **greening**

All criteria set at **EU level**:

- **Definition** of crops
- **Min. number** of crops
- **Max. share of the 2 main crops**
- **Max. share of the main crop**

These criteria **do not match** all farming situations

Various exemptions with specific conditions

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Crop rotation under **conditionality**

All criteria set at **national or regional level**, no more EU criteria:

**Up to the MS** to set the specific criteria to meet the objective of crop rotation taking into account local conditions
STREAMLINED REQUIREMENTS FOR ENVIRONMENTAL AND CLIMATE ACTION

Ecological focus area (EFA)

**CURRENT CAP**

Part of features or areas exceeding the maximum dimensions cannot be qualified as ecological focus area (EFA), to ensure that the area in question is predominantly agricultural.

For instance, only the first 10 metres width of hedges or the first 20 metres width of field margins can be qualified as EFA.

**FUTURE CAP**

Under the new conditionality, there will be no more maximum dimensions set at EU level for qualifying the non-productive features or areas.

Rules that could be needed to ensure that these non-productive features or areas are predominantly agricultural will be defined, if necessary, by MS taking into account local conditions.
# REDUCTION OF REQUIREMENTS

## YOUNG FARMERS direct support

<table>
<thead>
<tr>
<th>CURRENT CAP</th>
<th>FUTURE CAP</th>
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<tr>
<td>✓ Compulsory payment</td>
<td>✓ Optional according to needs</td>
</tr>
<tr>
<td>✓ Different definition from pillar 2</td>
<td>✓ Common definition across pillars</td>
</tr>
</tbody>
</table>

- ✓ Payment per hectare
- ✓ Strict calculation method
- ✓ Maximum number hectares
- ✓ Maximum age of young farmers
- ✓ For young farmers newly set-up
- ✓ Prescriptive rules on 'newly set-up'
- ✓ Number of years of support (5 years)
- ✓ Rules on access on legal persons
- ✓ Maximum share of DP envelope

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- ✗ Maximum age of young farmers
- ✓ Conditions for head of holding
- ✓ NEW Training requirements

Member States will have the opportunity to target the needs of young farmers on their territory and decide which, if any, of the requirements which are no longer being applied at EU level they consider relevant.
REDUCTION OF REQUIREMENTS INSTALLATION OF YOUNG FARMERS

CURRENT CAP
- Training requirements
- Maximum age of a Young Farmer
- Size of farm
- Have a Business Plan
- Specific content of the Business Plan
- Initial situation of the holding
- Duration of Business Plan
- When to start Business Plan
- Milestones/targets in business plan
- Requirements as head of holding
- Conditions for control of holding
- Conditions if legal entity
- Lumpsum with upper limit
- Number of payments to be made
- Period of grace to comply with requirements

FUTURE CAP
- Training requirements
- Maximum age of a Young Farmer
- Have a Business Plan
- Lumpsum with upper limit
- Requirements as head of holding
- Lumpsum with upper limit

Member States will have the opportunity to target the needs of young farmers on their territory and decide which, if any, of the requirements which are no longer being applied at EU level they consider relevant.
REDUCTION OF ELIGIBILITY CRITERIA

INVESTMENTS
only 7 out of 13

- No purchase of production rights, animals, and annual plants
- Limitation concerning irrigation (streamlined for the future)
- Purchase of land not eligible (with some exceptions)
- Rules to ensure sustainable forest management
- Interest rate on debt not eligible (with exceptions)
- **NEW** Single support rate of 75% for productive investments
- **NEW** Possibility of higher support rate for non-productive investment, basic services and forest-related investments
- Specification of types of operations (sub-measures)
- List of target groups
- Specification of certain support rate top-ups
- Definition of eligible expenditure related to investments
- Rules for leasing operations
- Rules for investments in prevention and restauration related to natural disasters and catastrophic events

*Member States will have the opportunity to target the needs of farmers on their territory and decide which, if any, of the requirements which are no longer being applied at EU level they consider relevant.*
WE OFFER THE POSSIBILITY TO END PAYMENTS ENTITLEMENTS

• Member States that currently use the Basic Payment Scheme may end the use of entitlements.
• The removal of entitlements will be an important source of reduction of administrative burden. Not just for farmers, but also for your administrations.
FLEXIBILITY ON CONTROLS AND PENALTIES
GENUINE SIMPLIFICATION FOR FARMER’S POST-2020

LPIS data

Public administrative databases
- Animals I&R database
- Organic producers database
- Contracts on land use
- [Payment entitlements]

Information on:
- Farmed areas
- Seeds used
- Geo-tagged
- photos
- ...

Land use (monitoring data)

PRE-FILLED APPLICATION

Click & confirm
Member States will be able to design their own control and penalty system, including making decisions about control methods and levels, types and design of penalties etc.

Member States will be required to operate a geo-spatial application.

This flexibility together with the future scope for Member States to design their own interventions as regards eligibility conditions and various definitions is expected to result in a support set-up much more customised to the individual MS and its farmers, thus reducing the administrative burden and in all likelihood the control pressure on farmers but maintaining the level-playing field through common principles at EU level.
SIMPLIFIED REPORTING, FEWER INDICATORS

- Keep common indicators in line with common objectives but limited number (40% less)
- Simplified reporting: a single Annual Performance Report for the financial assurance and performance
- Use of technologies for monitoring
A STREAMLINED CAP PLAN
A STREAMLINED CAP PLAN

Three different administrative processes will be integrated into a single one.

- Single strategic approach based on a needs assessment
- Ensuring level-playing field and legal certainty

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

27 CAP plans
A SIMPLER EU FRAMEWORK

01 PLANNING
Streamlined CAP plan

02 POLICY IMPLEMENTATION
Potential for simpler requirements

03 ASSURANCE
General rules on controls, audit and penalties

04 PERFORMANCE evaluation
Streamlined reporting fewer indicators

More **flexibility, fewer** rules ...
• Shared responsibilities to meet common objectives

• Not a simple shift in responsibilities: Commission also has new role; it is an opportunity for MS

• You are not alone: Commission stands ready to help

• We don’t start from scratch: your experience + technologies already on the ground

LET’S MAKE THE BEST OUT OF THE NEW CAP BASED ON A NEW PARTNERSHIP
WORKING TOGETHER
FOR A SIMPLER AND MODERN CAP
THANK YOU!