European Commission

The Reform of the Common Agricultural Policy 2014-2020

Implementation

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Agriculture and Rural Development

NEW CAP : main principles

More competitive (market orientation with safety nets and income support)

Greener (challenge of climate change, environment protection)

Fairer (more targeted and more equitable, between MS and within MS)

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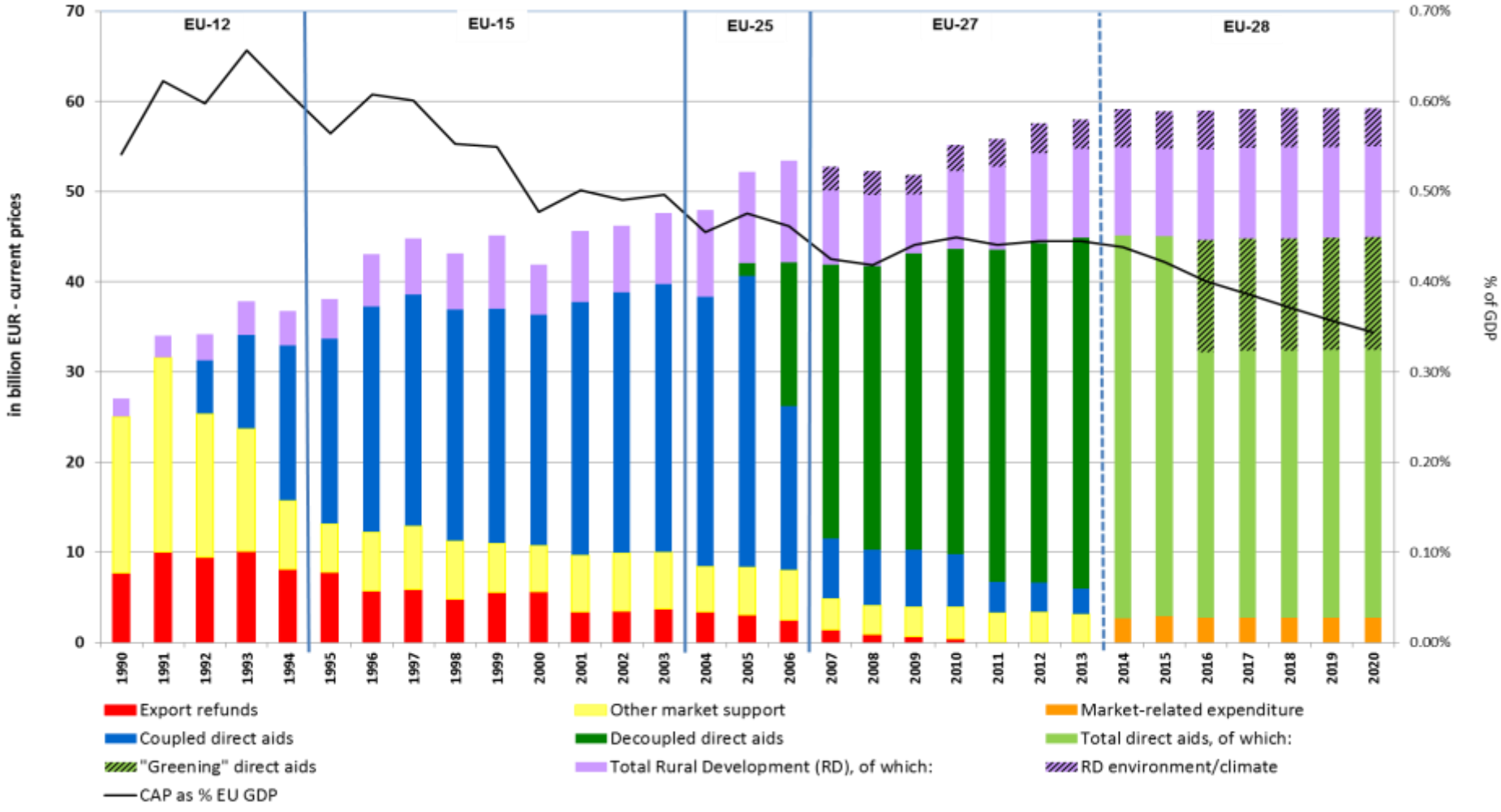
CAP expenditure and CAP reform path



note: 2014 and 2015: budget amounts; 2016-2020: MFF 2014-2020 amounts, taking into consideration transfers between the pillars and reductions of direct aids.

Source: DG Agriculture and Rural Development.

NEW CAP : timeline

December **2013** : adoption of basic legislation on new CAP

2014

- implementation of market measures
- adoption of secondary legislation
- MS had to signal their choice regarding direct payments by 1st August 2014
-preparation of RD programmes

2015

- implementation of new direct payments
- end of dairy quotas

2017

- end of sugar quotas

Focus on latest developments…

Implementation of Direct Payments

- ✓ Key decisions at national/regional level of the new direct payments architecture (1/8/2014)

Implementation of Rural Development

- ✓ Partnership Agreements approved
- ✓ On-going approval of the Rural Development Programmes:
  Currently, 87 RDPs approved (out of 118)

DIRECT PAYMENTS

MS had to notify by 1/08/2014 :

(1) Main policy choices in relation to the compulsory direct payment schemes and the voluntary schemes

(2) further detailed requirements specifying the content and the justifications of the decisions

(3) Decisions on **reduction of payments**, **minimum requirements** for receiving direct payments and decisions related to the **active farmer clause**.

(4) Main policy choices as regards the "**greening**" component

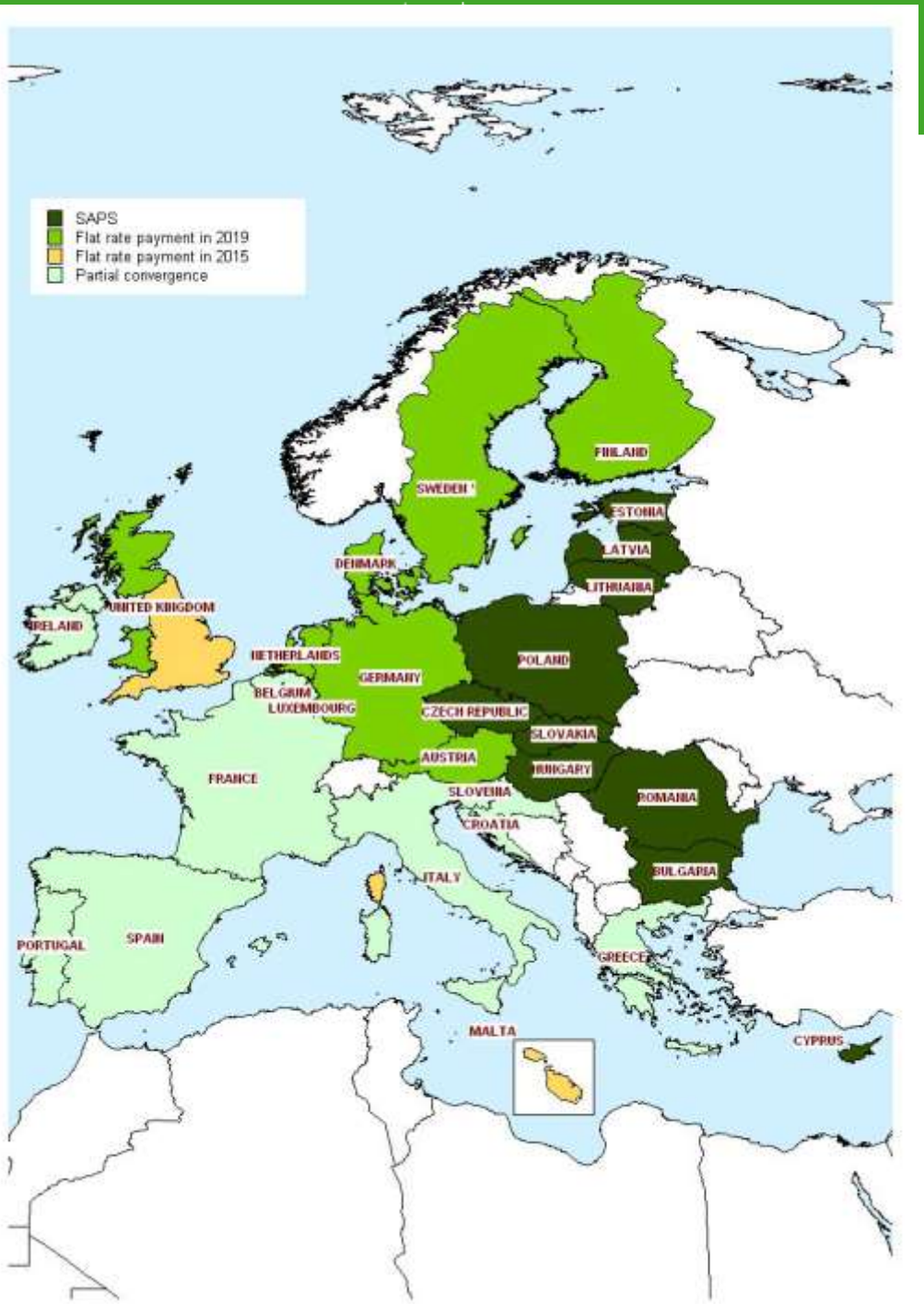
(5) Delayed decision regarding the **flexibility between pillars** for those Member States that did not transfer funds already for 2014.

Table 2: Main policy decisions

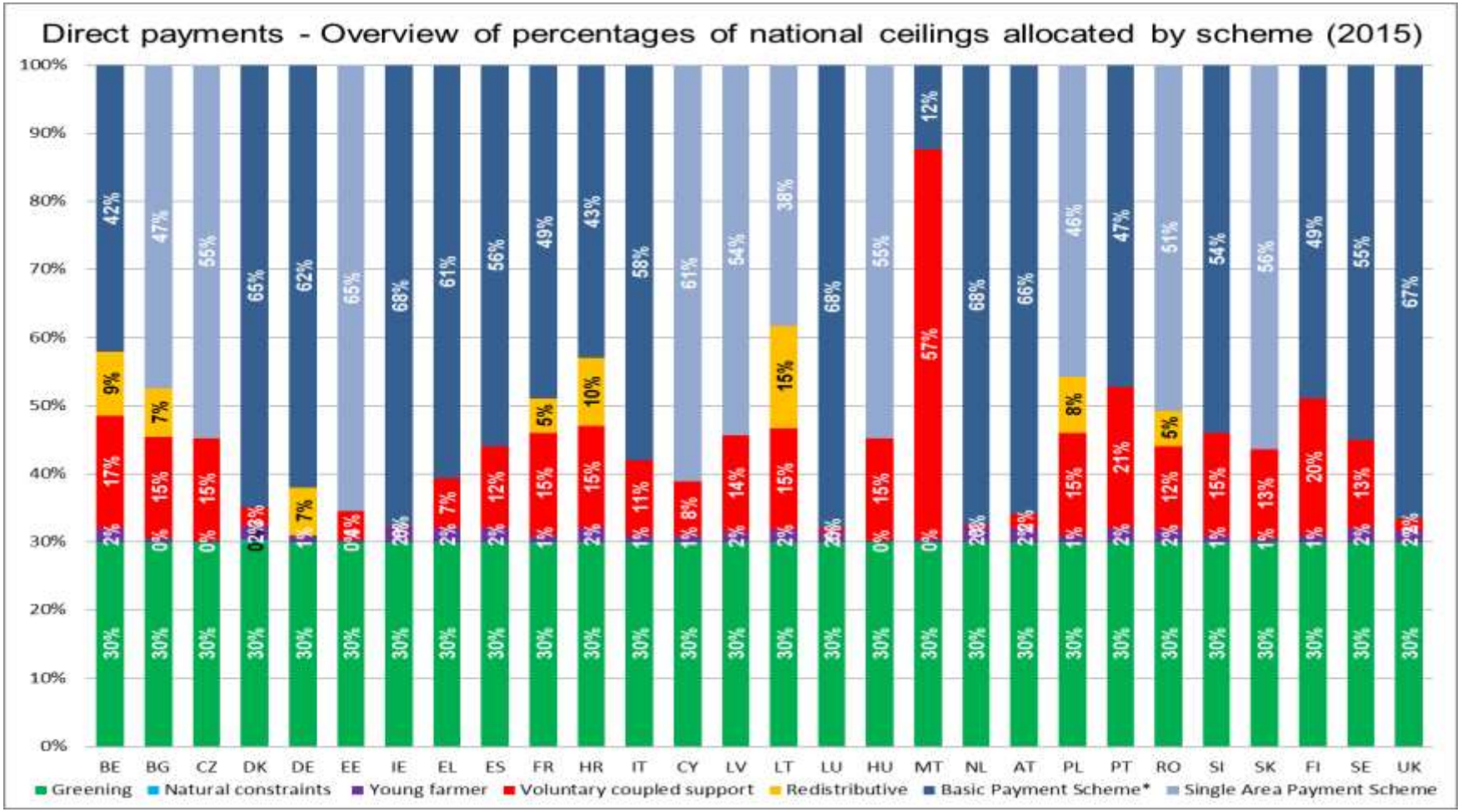
	SAPS	Regionalised BPS in accordance with Article 23	Redistributive payment	No reduction of payment	Payment for areas with natural constraints	VCS	SFS
BE			✓[4]	✓[5]		✓	
BG	✓		✓			✓	✓
CZ	✓					✓	
DK					✓	✓	
DE		✓	✓	✓			✓
EE	✓					✓	✓
IE						✓	
EL		✓				✓	✓
ES		✓				✓	✓
FR		✓	✓	✓		✓	
HR			✓	✓		✓	✓
IT						✓	✓
CY	✓					✓	
LV	✓					✓	✓
LT	✓		✓	✓		✓	
LU						✓	
HU	✓					✓	✓
MT						✓	✓
NL						✓	
AT						✓	✓
PL	✓		✓			✓	✓
PT						✓	✓
RO	✓		✓	✓		✓	✓
SI						✓	✓
SK	✓					✓	
FI		✓				✓	
SE						✓	
UK		✓[6]				✓	
	10	6	8	6	1	27	15

Implementation of the basic payment scheme and SAPS

Source : study EP

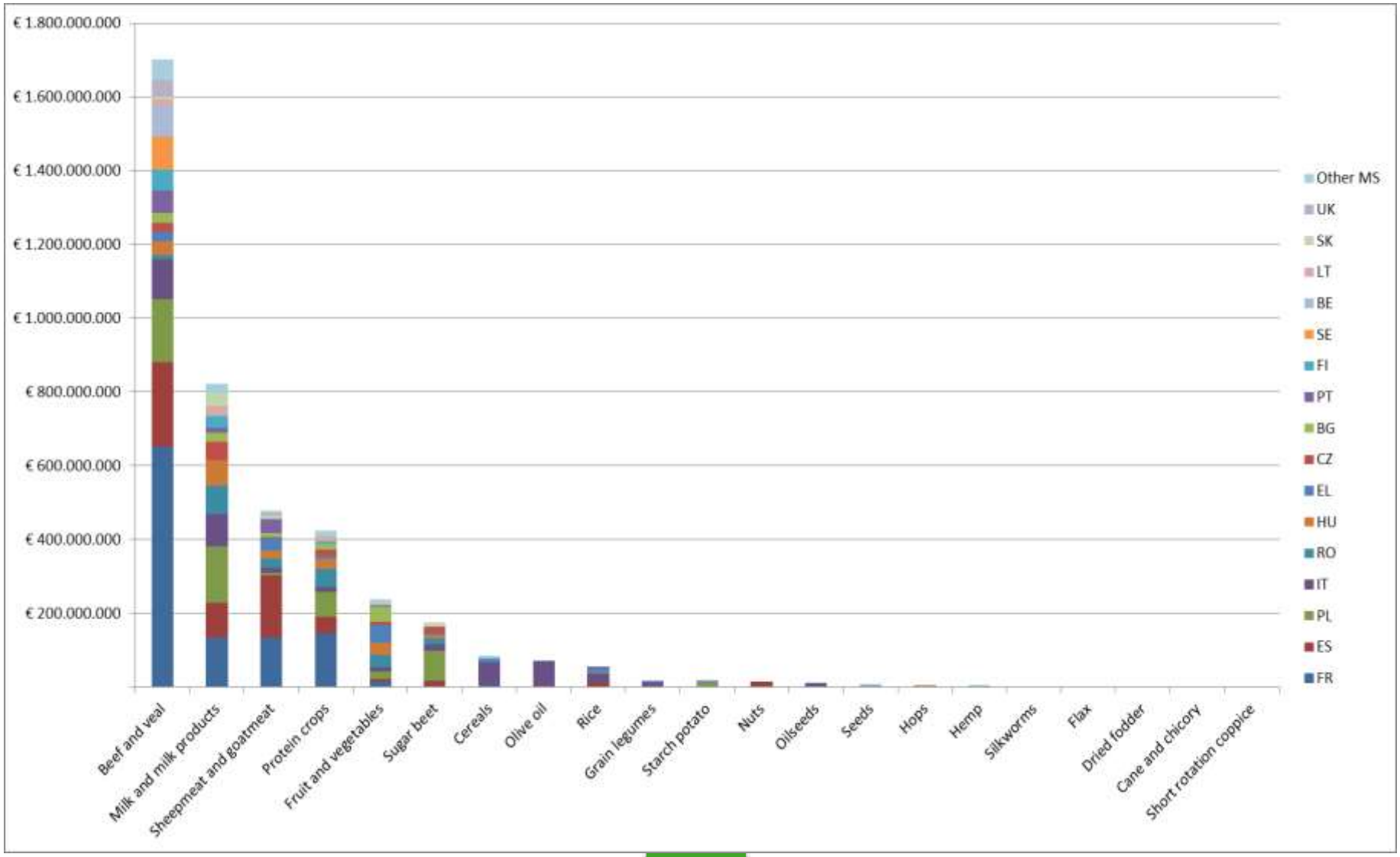


Direct payments: summary of main decisions by MS



Share of DP envelope left for basic payment at EU-28 level in 2015 = 55%

Voluntary Coupled Support: sectors supported



Adoption of Rural Development Programmes

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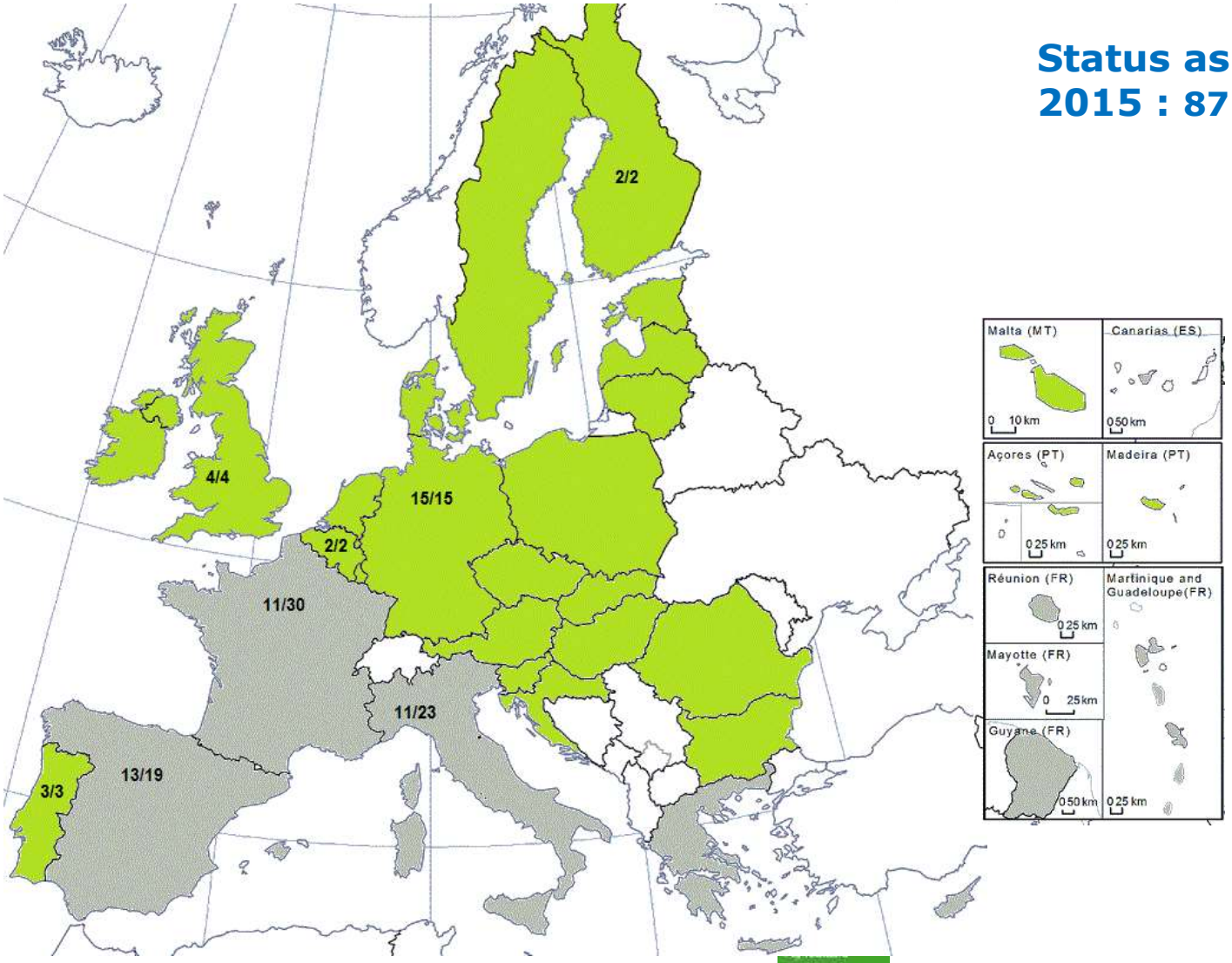


Status as of end September 2015 : 87 of 118 RDPs adopted

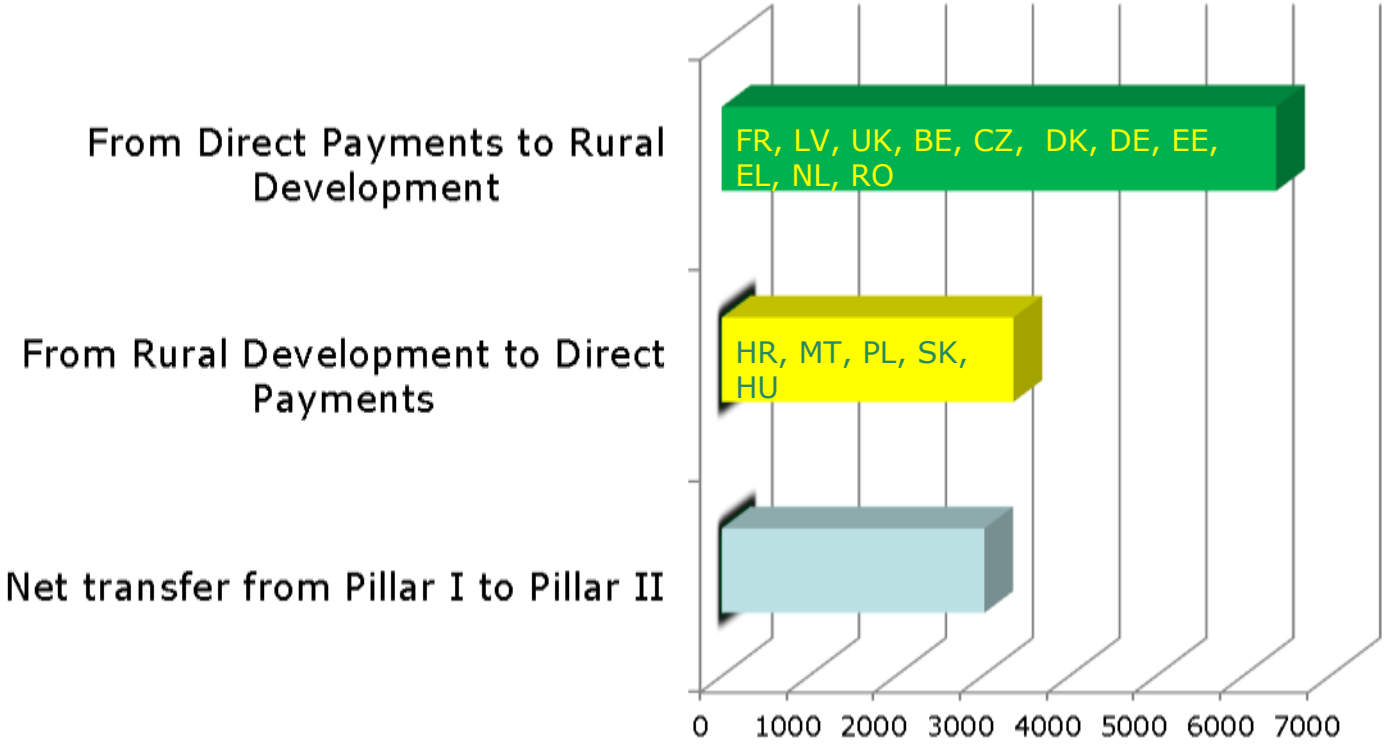
2014 – 2020 EAFRD funding / MS (€ million)*

BE	648	HR	2 026	PL	8 698
BG	2 367	IT	10 444	PT	4 058
CZ	2 306	CY	132	RO	8 128
DK	919	LV	1076	SI	838
DE	9 446	LT	1 613	SK	1 560
EE	823	LU	101	FL	2 380
IE	2 191	HU	3 431	SE	1 764
EL	4 718	MT	97	UK	5 200
ES	8 297	NL	765		
FR	11 385	AT	3 938	EU	**99 586****

*"Envelopes in place after entry into force on 23rd May 2015 of COMMISSION DELEGATED REGULATION (EU) No 2015/791 amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European agricultural Fund for Rural Development"

** includes EU level technical assistance (239 mil. EUR)

Flexibility: budgetary transfers between Pillars (€ million)



Around €3 billion will be transferred from pillar I to pillar II over 6 years (2014 – 2019)

Implementation Rural Development 2014-2020

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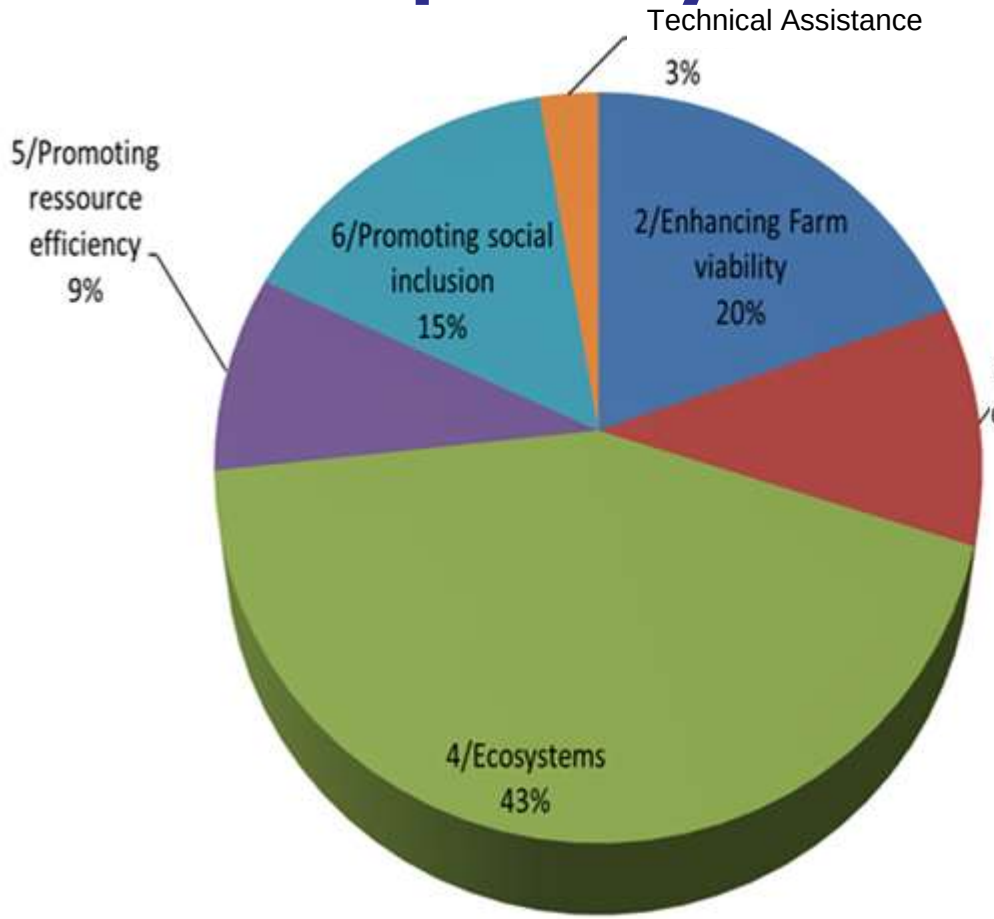
Share of funds per RD priority

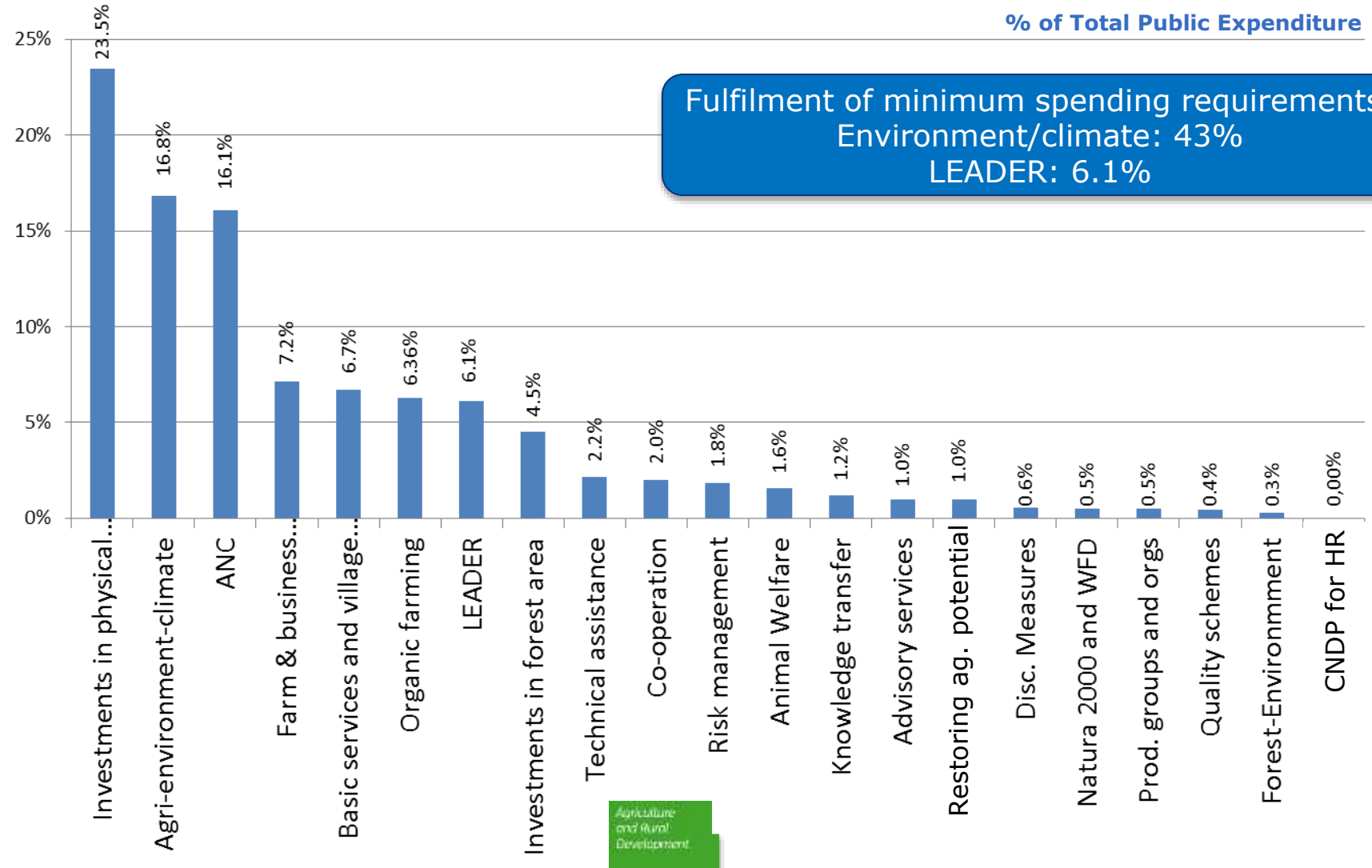


- Knowledge Transfer and Innovation (cross cutting)
- Farm viability competitiveness, sustainable forest management
- Food chain organisation, animal welfare, risk management
- Ecosystems in agriculture and forestry
- Resource efficiency, low carbon and climate resilience
- Social inclusion, poverty reduction, economic development

18 Focus Areas

Rural Development 2014-2020

Allocation of funds per measure



Looking ahead…

Challenges for the agricultural sector

Policy context after the last CAP Reform

Scarcity of natural resources

Food supply

Climate change

Subsidiarity

Simplification

Pressure on CAP budget

The CAP

Political Guidelines for the Junker Commission

Jobs, Growth and Investment

A Resilient energy Union

Free Trade Agreement US

Deeper Internal Market

For further information

Political agreement on the CAP2020

http://ec.europa.eu/agriculture/cap-post-2013/agreement/index_en.htm

Information note from the Commission on Direct Payments post 2014, decisions taken by MS by 1 August 2014

http://ec.europa.eu/agriculture/direct-support/direct-payments/docs/implementation-decisions-ms_en.pdf

Study on the "*Implementation of the first pillar of the CAP 2014-2020 in the EU Member States*" (requested by the EP)

http://www.europarl.europa.eu/RegData/etudes/STUD/2015/563386/IPOL_STU%282015%29563386_EN.pdf

European Commission

Thank you

New design of direct payments (1)

In 2015, EU farmers would have access to:

Compulsory schemes *(all MS):*

- Basic payment scheme
- 'Green' payment*
- Young farmers scheme

(+)

Voluntary schemes *(MS choice):*

- Coupled support
- Support in natural constraint areas
- Redistributive payment

All payments subject to cross compliance

All farmers will have access to the Farm Advisory System

OR

A simplified scheme for small farmers *(voluntary for MS)*

* *Payment for agricultural practices beneficial to climate change and the environment*

New design of direct payments (2)

Capping voluntary for the MS
Degressivity of 5% over 150 000 €

Cross compliance
- Streamlined – Climate change

Coupled support

- Wide range of sectors
- Up to 8% (or to 13% depending on past level) of DP envelope, +2% for protein crops

Natural constraint support

- For areas with natural constraints – or part of them
- Up to 5% of the DP envelope

Young Farmer Scheme

- Up to 2% of DP envelope
- < 40 years commencing activity
- +25% (/payment entitlements)
- For 5 years

«Green» Payment

- Crop diversification
- Permanent grassland
- Ecological focus area
- 30% of the DP envelope
- Thresholds & exemptions
- Equivalence

Basic Payment Scheme

- New BPS entitlements in 2015
- SAPS extended until 2020 (EU-10)
- Internal convergence / derogation with external convergence model to reach more similar levels per ha (min. 60% of average within a region/country by 2019)
- Voluntary redistributive payment (+max.65% on max. 30 ha or national average size ; max. 30% of DP envelope).
- Definition of 'active farmers'

OR

Small Farmer Scheme

- Simplification of claims and controls
- Lump sum payment to be determined by MS under conditions [500 to 1250 €]
- Entrance in 2015
- Up to 10% of the DP envelope

The new framework of the EU's rural development policy

Coordination and complementarity with ESI Funds

European Level

Common Provisions Regulation for ESI Funds

- Covering the EAFRD, ERDF, ESF, CF, EMFF
- Reflecting EU2020 through 11 common thematic objectives to be addressed by key actions for each of the funds

National Level

Partnership Agreement

National document outlining the intended use of the funds in the pursuit of EU2020 objectives

National or Regional Level

Rural Development Programme(s)

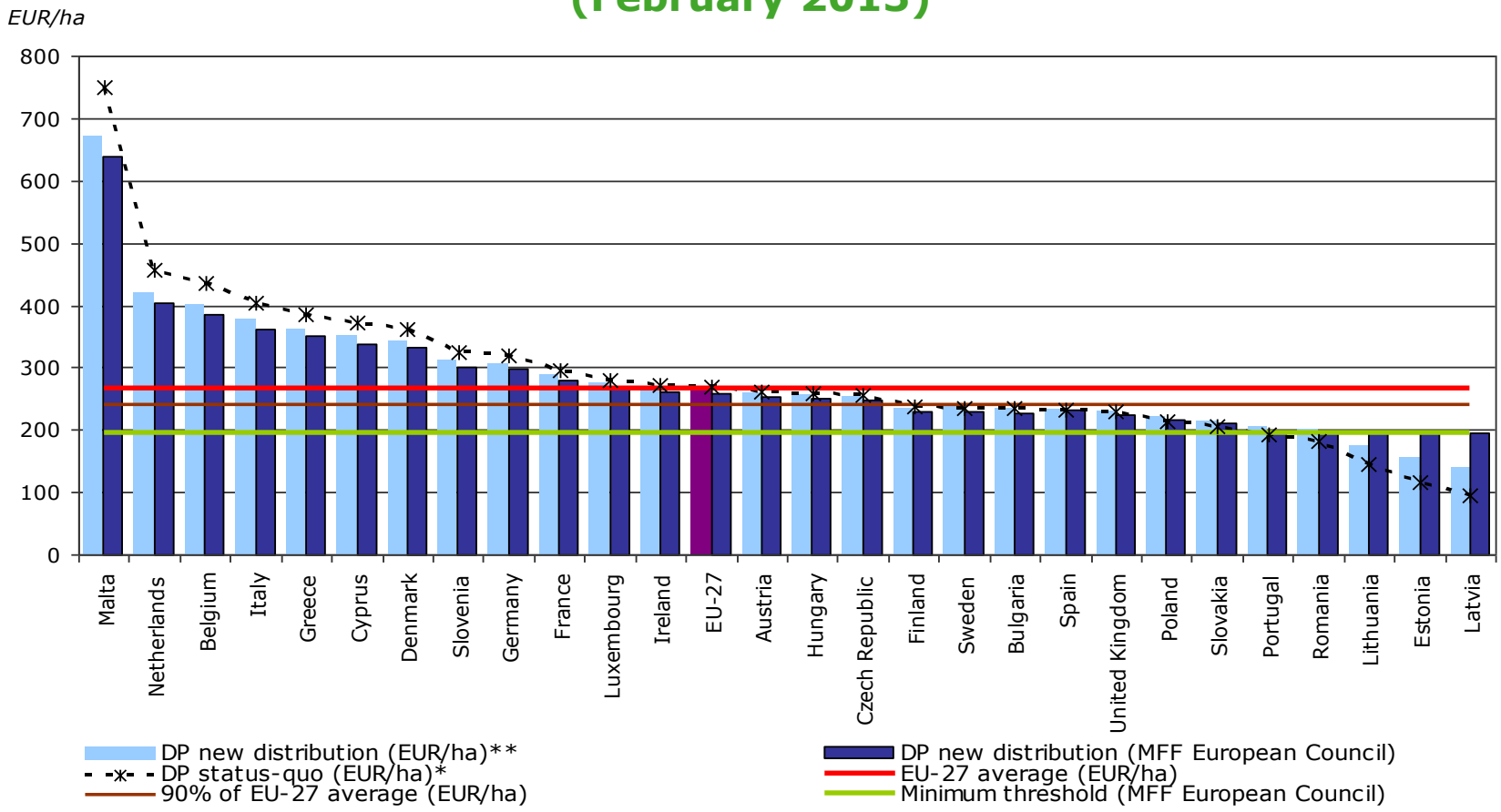
- (Other funds' operational programmes)

Rural development measures

17 measures plus LEADER, covering notably:

- **Knowledge transfer**, information actions and advisory services
- **Quality product** schemes, including promotion and information campaigns
- **Investments** in physical assets, with higher aid intensity for young farmers, collective and integrated investments - possibilities for irrigation under certain conditions
- **Farm and business development** with extended support for small farmers, young farmers and small businesses
- **Forest** area development and improvement
- Support for setting up of **producer groups** in all EU Member States
- **Agri-environment-climate payments** and **organic** farming: more flexibility and reinforced support for joint actions
- Significantly reinforced **co-operation** measure including pilot projects, short supply chain, local promotion
- New **risk management** toolkit
- **Leader** approach strengthened across EU funds

Redistribution of DP
Commission proposal and MFF agreement of European Council (February 2013)

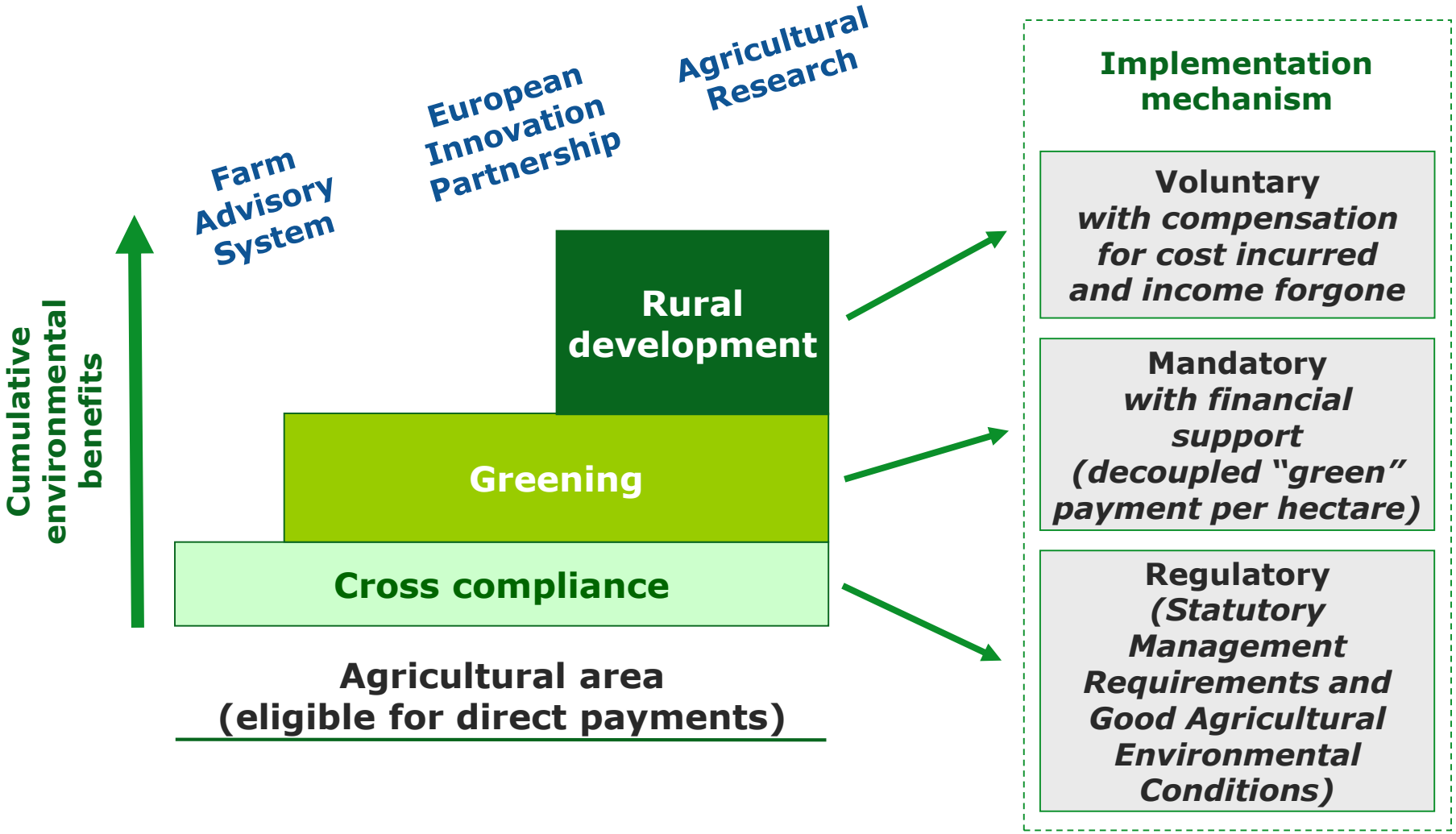


Source: DG Agriculture and Rural Development.

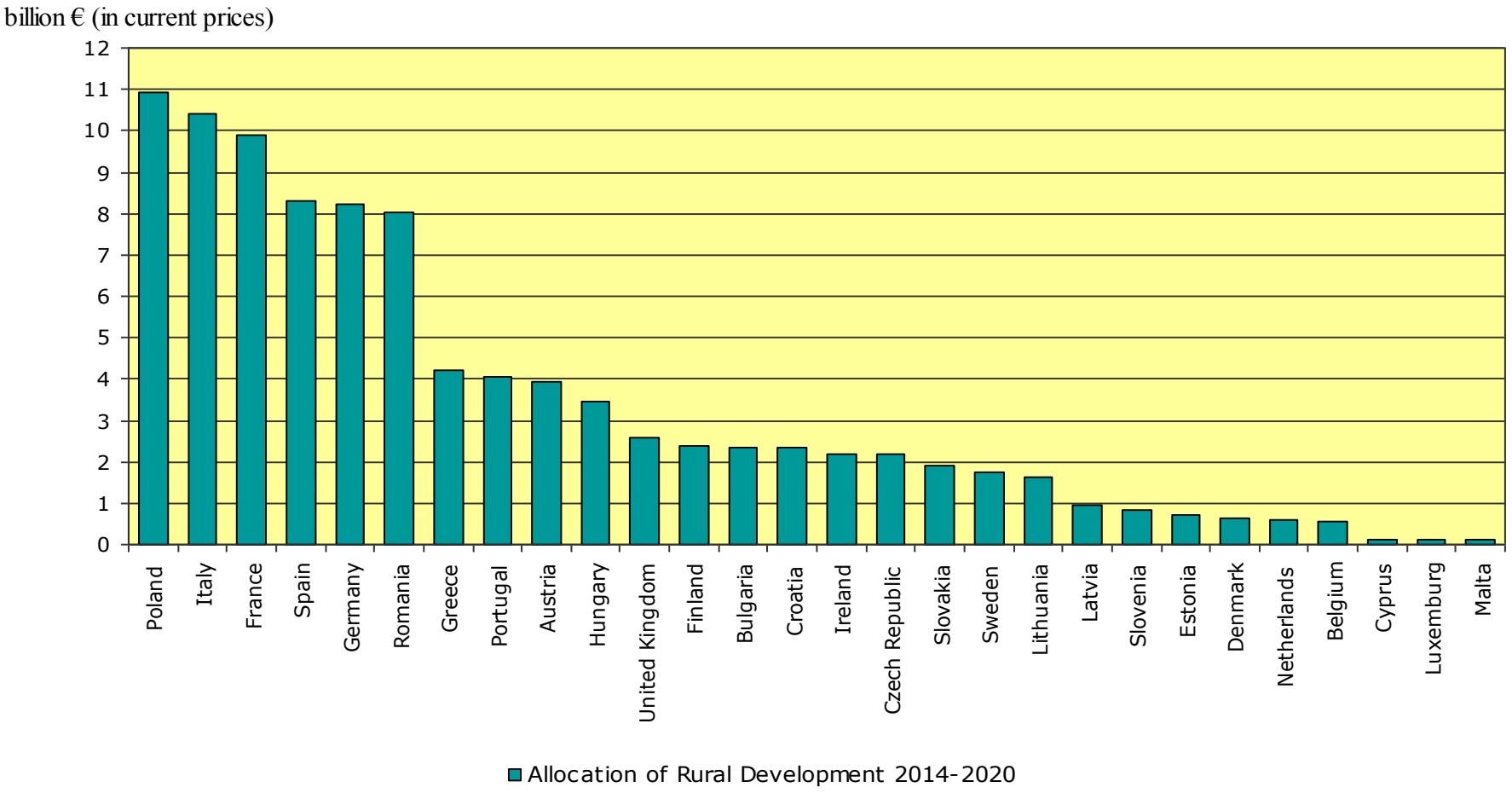
***** Calculated on the basis of all direct aids on the basis of Council Regulation (EC) No 73/2009, after modulation and phasing-in, except POSEI/SAI and cotton and potentially eligible area 2009.

** Calculated on the basis of Annex II to DP proposal for claim year 2019 (budget year 2020) and potentially eligible area (PEA) 2009.

The new greening architecture of the CAP



Allocation of Rural Development 2014-2020



Source: DG Agriculture and Rural Development.