

COMMON AGRICULTURAL POLICY

post-2020

Start of trilogues
Rural Development



#FutureofCAP

Key points Council

➤ Environmental ambition

- Ring-fencing of eco-schemes 20% (Art 86)
- EAFRD accounting rebate for eco-schemes (Art 86)
 - If Art 65, 67, 68, animal welfare contributing to env/clim > 30%
 - Then, extra amount counts for ES ring-fencing (max 50%-75%)
- Transfers to EAFRD (Art 65, 67, 68) to avoid ES loss of funds in 2023-2024 (Art 86)
- Inclusion ANC payments in 30% EAFRD ring-fencing (Art 86)
- Decreased baseline (conditionality), notably on biodiversity, nutrient management tool and animal legislation enforcement (Annex III)
- No backsliding principle untouched (Art 92)

Key points Council

➤ New Delivery Model

- Uniform or average unit amounts possible for all RD interventions (Art 89) (some limits for average unit amounts in IACS interventions) + maximum unit amounts in case of use of average unit amounts (i.e. “buffer” for clearance)
- Aggregated number of outputs per intervention (Art 89)
- One output indicator per intervention (Art 99)
- Performance review in 2025 (45% deviation) and 2027 (35% deviation) (Art 121a)
- Target setting and performance review using Annex XII indicators, but “forecast values” and monitoring for other result indicator (Art 91, Art 99, Art 121a)

Key points Council

➤ Rural Development interventions

- Introduction revision clause (Art 65)
- Possibility to revise ANC delimitation (Art 66)
- Purchase of land max 10% exceptions: environment, carbon-rich soils and young farmers via FI (Art 68)
- Large-scale investments outside Leader: broadband, renewable energy and flood and coastal protection (Art 68)
- Exception from WFD for irrigation: ex-ante environmental assessment (“no significant impact”) (Art 68)
- Support for the development of small farms (Art 69)
- Risk management voluntary and 1% DP financial envelope (Art 70)
- Cooperation – some precisions regarding LEADER, succession (Art 71)
- No delegated powers for adding requirements under Art 65, 68 and 71 (exception: genetic resources and animal welfare) (Art 78)

Key points Council

➤ Financial management

- EAFRD expenditure shall be eligible from the date of submission of the CAP Strategic Plan, but not before 1 January 2023 (Art 80)
- Single co-financing rate at national or regional level:
 - 85% less developed, 80% outermost, 60% transition, 43% general;
 - 65% ANC, 80% green and EIP/Leader (applicable if higher than the standard rate)
 - 100% transfers (Art 85)
- 2% YF ring-fencing includes investments by young farmers (Art 86)
- Transfers 25-30% between pillars + 15% to EAFRD for green interventions

Key points Council

➤ Governance

- Possibility for more than 1 CAP Plan (Art 91)
- CAP Plan assessment shall exclusively be based on acts which are legally binding on Member States (Art 106)
- Approval in 6 months (Art 106)
- Eligibility conditions can be changed without amending the CAP Plan provided that targets are not affected (Art 107(7))

Key points EP (green architecture)

➤ 3 new ring-fencing obligations under EAFRD:

- 30% advisory service and technical assistance to contribute to green objectives (Art 13)
- 30% investments to contribute to green objectives
- 30% EAFRD to interventions under Articles 68, 70, 71 and 72 for specific objectives aimed at fostering the development of an intelligent, resilient and diversified agricultural sector as defined in points (a), (b) and (c) of Article 6(1) of this Regulation

➤ 35% EAFRD ring-fencing on green objectives, including ANC (40%)

➤ Management Commitments (Article 65):

- Incentive element
- Unit of payments: hectares + “other identified unit depending on the nature of the commitment“

Key points EP (green architecture)

➤ Investments (Article 68)

- Negative list of investments includes those inconsistent with animal welfare and RED legislation
- Operations up to 100% support rate enlarged

➤ Flexibility between pillars (Art 90)

- Decrease of % (12% instead of 15% for from PI to PII and 5% instead of 15% from PII to PI) but the transfers between pillars should be used for AECM or ES

➤ Introducing mid-term review by June 2025 (Art 139a)

➤ General revision clause for CAP Plans by end 2025, to adapt to new environment/climate legislation (107a)

Key points EP (other)

- **Regional Intervention Programmes** (sub-plans) for RD in regionalised MS
- **2 new RD types of interventions:** women in rural areas and installation of digital technologies
- Maximum and minimum **support rates** established in Annex for RD interventions
- Major redrafting of **objectives** and principles that CAP should contribute to
- Introduction of **social conditionality** in the baseline for all IACS payments
- **Schemes for boosting competitiveness** under Pillar I
- Compulsory implementation of **Smart Villages Strategies**
- **4% YF ring-fencing:** excluding installation grants
- 6 months CAP Plan approval, **no stop-the-clock**

Partnership

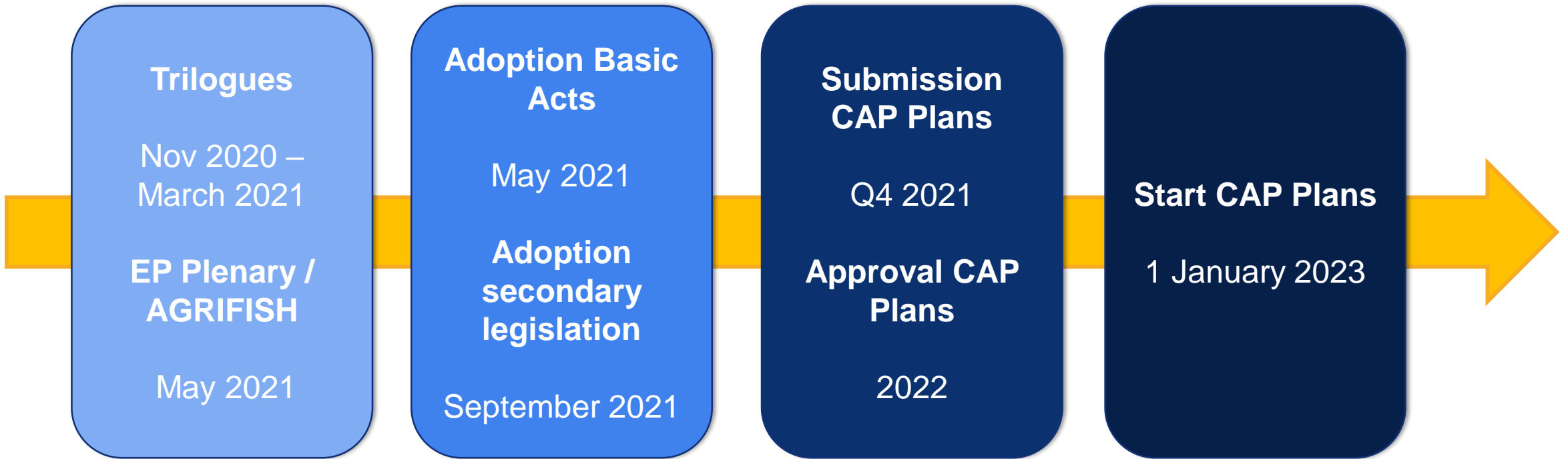
Article 94 (COUNCIL) Procedural requirements

1. Member States shall draw up the CAP Strategic Plans based on transparent procedures, in accordance with their institutional and legal framework.
- ~~2. The body of the Member State responsible for drawing up the CAP Strategic Plan shall ensure that the competent authorities for the environment and climate are effectively involved in the preparation of the environmental and climate aspects of the plan.~~
3. Each Member State* shall organise a partnership with the competent regional and local authorities. The partnership shall include at least the following partners:
 - (a) relevant public authorities, including authorities at regional and local level, as well as competent authorities for environmental and climate issues;
 - (b) economic and social partners;
 - (c) relevant bodies representing civil society and where relevant bodies responsible for promoting social inclusion, fundamental rights, gender equality and non-discrimination.Member States shall involve those partners in the preparation of the CAP Strategic Plans.
4. Member States and the Commission shall cooperate to ensure effective coordination in the implementation of CAP Strategic Plans, taking account of the principles of proportionality and shared management.

Article 94 (EP) Procedural requirements

2. The body of the Member State responsible for drawing up the CAP Strategic Plan shall ensure that the competent **public** authorities for the environment and climate are **fully** involved in the preparation of the environmental and climate aspects of the plan.
3. Each Member State shall organise a partnership with the competent regional and local authorities **as well as other partners**. The partnership shall include at least the following partners:
 - (b) economic and social partners, **in particular representatives of the agricultural sector, and including Local Action Groups in the context of LEADER programmes;**
 - (c) relevant bodies representing civil society **related to all objectives laid down in Article 5 and Article 6(1)** and where relevant bodies responsible for promoting social inclusion, fundamental rights, gender equality and non-discrimination.Member States shall **fully** involve those partners in the preparation of the CAP Strategic Plans
4. Member States and the Commission shall cooperate to ensure effective coordination in the implementation of CAP Strategic Plans, taking account of the principles of proportionality, shared management **and proper functioning of the internal market**.
 - 4a. The Commission is empowered to adopt a delegated act in accordance with Article 138 to set out a code of conduct to support Member States in the organisation of the partnership referred to in paragraph 3. The code of conduct shall set out the framework within which Member States, in accordance with their national law and regional competences, are to pursue the implementation of the partnership principle.**

Timeline





THANK YOU!



Rural development: transitional arrangements and use of ERI in RDPs

CDG Rural Development

20 November 2020

Beata Adamczyk

AGRI, unit F1

State of play

- October 2019: COM proposal to **ensure the continuity of support** under current rules until the new CAP is in place (one-year transition period ending on 31.12. 2021);
- April 2020: Council's partial general approach adopted (among others: extension of the transitional period until the end of 2022);
- April 2020: EP negotiating mandate approved (among others: extension of the transitional period until the end of 2022).

State of play

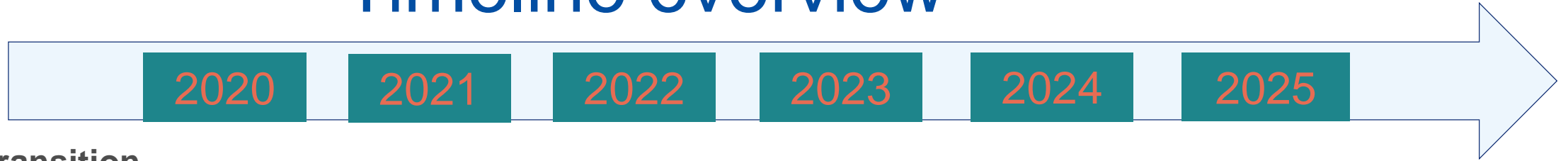
- **Provisional political agreement** between the co-legislators on the essential aspects of transition (**EAFRD**) reached in June 2020;
- **Provisional political agreement** on the integration of the €8 billion of the **Next Generation EU (ERI)** funds for rural development in the transitional regulation reached in November 2020;
- Remaining issues:
 - budgetary aspects linked to the adoption of the 2021-2027 MFF (€26 896 831 880);
 - adoption of the ERI regulation;
 - technical aspects;
 - request to extend the Covid19 measure.

EAFRD: RDP extension & amendment

Article 1:

- Extension of the period of duration of the RDPs by **two years**: 2021 and 2022 (=> end of implementation period in 2025, with N+3);
- Need to submit a request to **amend RDPs** (Art. 11 RD regulation);
- RDP amendment shall **ensure** that **at least the same overall share** of the EAFRD contribution is reserved for the **measures referred to in Article 59(6)**.

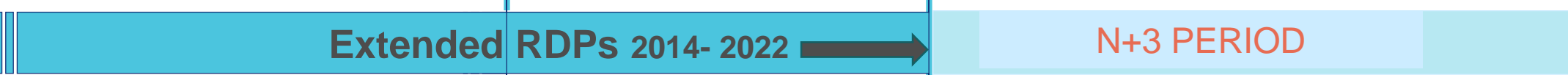
Timeline overview



Without transition



With a 2-year transition



EAFRD: Continued application of CPR

Article 2:

- Rules of the CPR shall continue to apply to extended RDPs;
- Several reporting deadlines postponed: AIR, annual review meetings, ex-post evaluations, final date for eligibility of expenditure, synthesis report;
- The Performance Framework: targets to be updated for 2025;

Note: No need to amend Partnership Agreement (CRII+).

EAFRD:

Eligibility of certain types of expenditure in the extended RDPs

Article 3:

- Expenditure from previous programming periods continues to be eligible under the RDPs under the following conditions:
 - expenditure is provided in extended RDP;
 - the EAFRD contribution rate of the corresponding measure under RDP continues to apply;
 - IACS applies to the area-based measures;
 - the payment deadlines for the IACS-based measures apply.

EAFRD: Community Led Local Development

Article 4

- Support for costs of **capacity building** and **preparatory actions** related to the design and future implementation CLLD strategies.

Note:

Support for the existing CLLD continues.

EAFRD:

Eligibility of expenditure from the previous programming periods in CAP SPs

Article 6:

- Carry over of expenditure from previous programming periods, including current RDPs, to the CAP Strategic Plans is possible subject to the conditions to be determined in accordance with the CAP legal framework applicable in the period 2023-2027;

Note:

- Proposal for a new Article 140a in CAP SPR.

EAFRD: Amendments to Regulation 1305/2013

Article 7

- Multi-annual commitments: Art. 28 (AEC), 29 (OF), 33 (AW):
 - New commitments to be undertaken from 2021: a shorter period of 1 - 3 years;
 - *From 2021 or in 2021 & 2022* (pending): possibility to determine a longer period for certain commitments (if specific nature and objectives sought);
 - From *2022*: one annual extension of the existing commitments after the termination of the initial period (*applies to all commitments*).
- ANC (Art. 31(5)):
 - Where degressive payments were not granted for maximum duration of 4 years up to year 2020, payments may continue until end 2022;
 - No longer than four years in total;
 - Payments in 2021 & 2022 shall not exceed EUR 25/ha.

EAFRD: Amendments to Regulation 1305/2013

Article 7

- Risk management: Art. 38 (mutual funds) & 39 (income stabilization tool)
 - Possibility to reduce thresholds of 30 %, however, to not less than 20%;
 - Modification of financing plan (Art, 8(1)(h)).
- Technical assistance at the MS initiative (Art. 51(2)):
 - Possibility to devote 5% to TA, where total amount of EAFRD support is less than EUR 1.8 billion;
- LEADER:
 - Minimum 5% spending is kept (HR 2,5%);
 - 5% ring-fencing does not apply to DP transfers to RD in 2021 & **2022**.

EAFRD: Amendments to Regulation 1305/2013

Article 7

- Annual Implementation Report (Art. 75):
 - To be submitted until June 2026.
- Ex post evaluation (Art. 78):
 - To be submitted in 2026.

ERI: Implementation rules

- Objective: to support the recovery of the agricultural sector and rural areas in the aftermath of the COVID-19 pandemic ;
- ERI will be used to support **RD measures ‘...paving the way for a resilient, sustainable and digital economic recovery in line with the objectives of the Union’s environmental and climate commitments and with the new ambitions set out in the European Green Deal’**;
- ERI resources are considered being part of the total amount of Union support for Rural Development (RD);
- ERI resources will be implemented through RD Regulation (1305/2013);
- In consequence, the rules set out in RD, Horizontal and CPR Regulations apply, except where the Transitional Regulation provides otherwise.

ERI: Implementation rules

- ERI resources will be **programmed and monitored separately** from the EAFRD;
 - Financing plan (Art. 8 (1)(h)(i): ERI resources must be separate;
 - ERI budget commitments in RDPs must be made separately;
- No pre-financing will be granted;
- **Maximum contribution rate: 100%;**
- MS may establish a **single, specific contribution rate** applicable to all ERI supported operations.

ERI: Implementation rules

- Support rates for investments in physical assets (Art. 17(3)) may be increased by an additional maximum **35%**, provided that such support does not exceed **75 %**, (when financed by ERI);
- Payments to young farmers under Art. 19(1)(a)(i) may be increased by additional maximum EUR **30 000** (when financed by ERI);
- Up to **4 %** may be allocated to technical assistance at the initiative of MS; up to **5%** where total amount of EAFRD support is less than EUR 1.8 billion;
- Articles 20 (performance reserve), 21 (performance review) and 22 (application of the performance framework) of the CPR do not apply.

ERI: Ring-fencing requirements

- Minimum spending requirements of 5% for LEADER (Art. 59(5)) and 30% for environment/climate beneficial operations (Art. 59(6)) will not apply to ERI;
- **1) At least 37 %** must be reserved in for measures under Art. 33, 59(5) and (6) (animal welfare, LEADER and operations beneficial for environment & climate);
- **2) No- regression** (no-backsliding) principle applies: At least the same overall share of the EAFRD contribution must be reserved in RDPs for measures under Art. 59(6) (same measures as for the 30% env/climate operations);
- **3) At least 55 %** must be reserved for measures under Art. 17 (investments), 19 (farm & business development), 20 (basic services) and 35 (co-operation) to promote economic & social development of rural areas, resilient, sustainable & digital economic recovery in line with agri- environment -climate objectives.
- MS may **derogate from the no-back sliding principle or the 55% threshold to the extent necessary** to comply with either of the two requirements.

Transitional regulation: entry into force

- Transition regulation will enter into force on the day following that of its publication in the Official Journal;
- Provisions on ERI support enter into force on the date of entry into force of the ERI Regulation;
- **Retroactive effect of the provisions on ERI support: 1 January 2021.**

Next steps

- Technical meeting & last trilogue next week;
- Adoption: mid-December 2020;
- Consequential amendments of the relevant secondary legislation;
- Requests to modify RDPs to include and program the 2021-2022 allocations and the ERI resources.



Vision for rural areas

Civil Dialogue group Meeting – 20 November 2020
Silvia Michelini – DG AGRI – Director F
Mario Milouchev – DG AGRI – Director E



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“Our rural areas are the fabric of our society and the heartbeat of our economy. The diversity of landscape, culture and heritage is one of Europe’s most defining and remarkable features. They are a core part of our identity and our economic potential.

We will cherish and preserve our rural areas and invest in their future.”

President Von der Leyen – July 2019

Policy guidelines for 2019-2024

Why?

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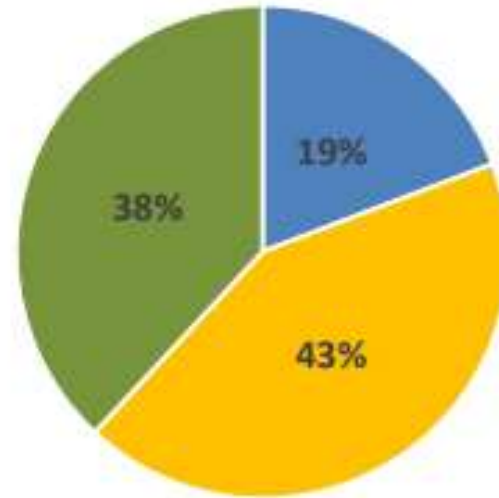


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Why?

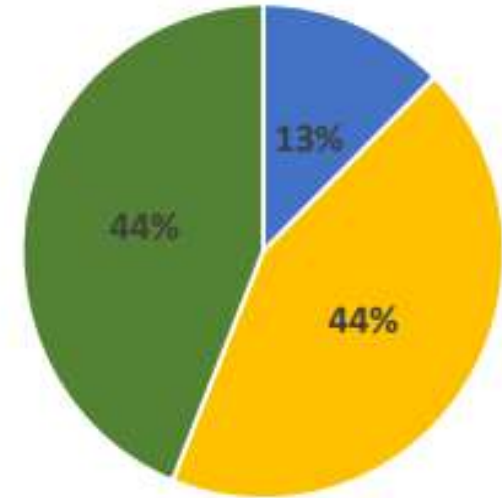
26% of EU population but...

38% of population in low-income regions



■ Urban ■ Intermediate ■ Rural

And 44% of population in shrinking regions



■ Urban ■ Intermediate ■ Rural

Source: EUROSTAT, EU-27, urban-rural typology, 2018

Vision for rural areas



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Challenges in rural areas

- Demographic change
- Low income levels
- Limited access to services
- Low connectivity
- Feeling of being overlooked
- Limited resilience



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If we are striving for a Europe of equal opportunities, it is unacceptable that 40% of people in rural areas still do not have access to fast broadband connections

President Von der Leyen – State of the Union 2020

Vision for rural areas

Opportunities in rural areas

- Key for ecosystem services!
- Bio- and circular economy
- Ecological and digital transitions
- Increasing demands from society

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What?

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Vision for rural areas



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Communication from the Commission

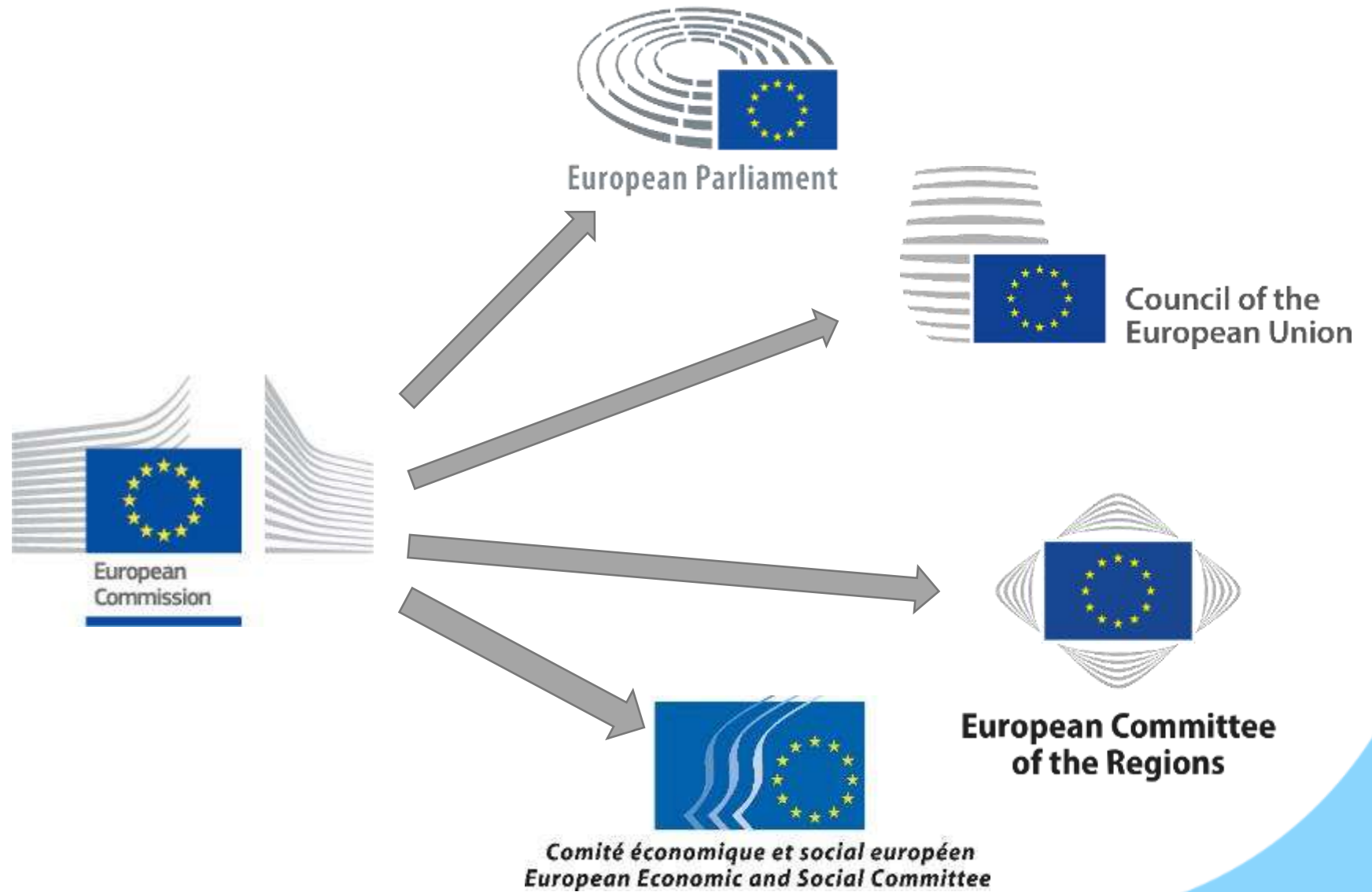
- Set out a vision and steps for the future of rural areas by 2040
- Create a debate on the role of rural areas in society

*“It will also explore innovative, inclusive and sustainable solutions in the light of climate and digital transformation and the COVID-19 crisis.”
Roadmap, July 2020*

- Q2 2021



What?



How?

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How?



**Public
consultation
& engagement**



Analysis



Foresight

[All about the process](#)

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Public consultation & engagement

- Public consultation [online](#) until 30/11, we look forward to your contributions!
- Eurobarometer results
- 3 events at #EURegionsWeek
- [Stakeholders engagement workshop toolkit](#)
- Final conference in March 2021

Vision for rural areas



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Vision for rural areas



Analysis

- Facts & figures (stats)
- Reports
- Various policies and targets
- **Horizon 2020 projects**
- Literature



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Vision for rural areas



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Foresight

- Provide elements for a vision
- JRC-led work with ENRD
- ENRD TG #Rural2040
- **Horizon 2020 projects**



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Roadmap takeaways

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Roadmap takeaways

- 22 July – 9 September 2020
- 198 contributions
- 68 position papers

Roadmap takeaways

1. Highlighted issues

- Demographic challenge
- Economic lag
- Lack of infrastructure & services
- Negative perception of rural areas



Roadmap takeaways

2. Opportunities

- Green transition
- Rural culture
- Multi-level governance
- Integration of migrants

Roadmap takeaways

3. Actions

- Campaign to showcase rural areas
- Role of rural women
- Coordination of funding sources
- Promote rural culture
- Multi-level governance
- Rural proofing



Future of Rural Networks

CDG on Rural Development -20/11/2020

Helen Williams (E2) & Antonella Zona (B2)



Updates on future Networks & their Governance in the CDG

Recap:

- **CDG of 07.02.2020:** *Developments on the CAP network following the 6th General Assembly of the rural networks*
- **CDG of 30.10.2019:** *Debrief on 1st reflections from RN Steering Group meeting of 21/10/2019*
- **CDG of 27.02.2019:** *Future of the EU Rural Networks including the outcome of the 5th EU Rural Networks Assembly*
- **CDG of 26.10.2018:** *Networking under the future CAP : stakeholders needs and inputs*

Update on Networks in the legal proposal

- Article 113 on future EU & CAP Networks not a political point CAP trilogues
- From Council, some technical drafting suggestions remain on table from AUT Presidency
- **New element:** Introduction under DE Presidency of provision on transition for networks at EU and National level
Objective → flexibility and continuity of networking support

Transition for EU & National Networks

Networks to accompany (extended) RDPs & support CSP preparation

National CAP Networks to be established max. 12 months after CSP approval

DE Presidency: Technical clarification to Art 140 SPR (*Transitional & Final Provisions*)

- Until networks (EU or national) are established under Art 113, 'old' networks may carry out in addition to their current RD tasks, the new tasks under SPR

And, vice versa

- Once new networks (EU or national) are established under SPR, they can until 31.12.2025, carry out tasks related to RDPs under Art 1305/2013

Continuity in supporting the EU Rural Networks and the future European CAP network

Call for tenders for setting up and managing Networking Activities in Support of the CAP
published 28/10/2020 – deadline for submitting offers: 19/01/2021

LOT 1

Design and implementation of CSPs + remaining years of RDPs

LOT 2

Innovation and knowledge exchange
EIP AGRI

LOT 3

European Evaluation Helpdesk for the CAP

LOT 4

Logistical and communication support for lots 1, 2 and 3

Reflections on future CAP Network governance

- **Reflection exercises** held on experience with current RN governance bodies (*strengths/weaknesses + suggestions for future*) in:
 - RN Steering Group & Assembly
 - Sub Group on Innovation
 - Survey on-going with LEADER/CLLD Sub-Group: deadline 25/11
- **Continuity:** Current RN Governance bodies will continue until ones for new EU CAP Network are set up.
- **On-going reflection → all inputs and contributions - including on complementarity/links with CDGs - are welcome**

Thank you



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