Support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) 2021–2027

2018/0216(COD) - 23/05/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report by Esther HERRANZ GARCÍA (EPP, ES) on the proposal for a regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council.

The Committee on the Environment, Public Health and Food Safety, exercising its prerogative as an associated committee in accordance with Rule 54 of the Rules of Procedure, also gave its opinion on the report.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

General objectives

These seeks to:

- foster a modern, competitive, resilient and diversified agricultural sector ensuring long term food security while safeguarding the family farm model;

- support and improve environmental protection, biodiversity and climate action and to contribute to the environmental- and climate-related objectives of the Union;

- strengthen the socio-economic fabric of rural areas, in order to contribute to the creation and maintenance of employment, by guaranteeing a viable income for farmers, pursuing a fair standard of living for the entire agricultural population and tackling rural depopulation, with a particular focus on the less populated and the less developed regions, and balanced territorial development.

With a view to achieving the objectives, Member States and the Commission shall ensure the performance of CAP support and simplification for final beneficiaries by reducing the administrative burden while ensuring non-discrimination among beneficiaries.

Financial provisions

The proposed financial envelope for the EAGF for the period 2021-2027 shall be **EUR 286 143 million** in 2018 prices (EUR 322 511 million in current prices).

The financial envelope for the European Agricultural Fund for Rural Development for the period 2021-2027 shall be **EUR 96 712 million** in 2018 prices (EUR 109 000 million in current prices).

Expenditure shall be eligible for contribution from the EAGF and the EAFRD following the approval of the CAP Strategic Plan by the Commission.

Reduced direct payments and support to young farmers

Member States shall reduce the amount of direct payments to be granted to a farmer for a given calendar year where that amount exceeds a threshold of EUR 100 000 (as opposed to EUR 60 000 proposed by the Commission).

Member States may set in their CAP Strategic Plans preferential conditions for financial instruments for young farmers and new entrants, and should include in their CAP Strategic Plan the ring-fencing of at least an amount corresponding to 2% of the annual direct payments' envelope in the first pillar. An increase of the maximum amount of aid for the installation of young farmers and rural business start-ups, up to EUR 100 000, which can be accessed also through or in combination with financial instrument form of support, shall also be established.

The report also stated that Member States shall ensure that, for claim year 2024 at the latest, all payment entitlements have a value of at least 75% of the average planned unit amount for the basic income support for claim year 2024 as laid down in the CAP Strategic Plan.

Strategic plans - new delivery model postponed until 2022

In light of adjusting to local conditions, Member States shall lay down the definition of agricultural activity in their CAP Strategic Plans, complying with the common elements of the Union framework definition.

The new delivery model based on national strategic plans to be drafted by Member States and approved by the EU Commission, shall be delayed by one year until 2022 to allow more time for them to adjust.

Gender equality and non-discrimination

The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective are taken into account and promoted throughout the preparation and implementation of CAP strategic plans, including in relation to monitoring, reporting and evaluation. The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of CAP strategic plans.

Climate and the environment

The report stressed that Member States shall establish and provide support and set a minimum financial share of at least 30% of their respective national allocations as set out in Annex IV for voluntary schemes for the climate and the environment ('eco-schemes'). These eco-schemes shall also support animal welfare.

Transfer between pillars

Transfers from rural development to the direct payment envelope shall be limited to 5% and not 15% as proposed by the Commission. An exception shall only be granted to Croatia, Poland, Hungary and Slovakia, which may transfer up to 15% of funds from the second pillar to the first pillar provided that 5% is spent on environmental programmes.

Mid-term review

By 30 June 2026, the Commission shall carry out a mid-term review of the CAP in order to evaluate the operation of the new model of implementation by the Member States and, where appropriate, the Commission shall submit legislative proposals.

Reports

By 31 December 2025, the European Commission shall submit a report on the impact that the CAP has had on the separate island regions.