

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

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The Commission presented an amended proposal for a Regulation of the European Parliament and of the Council laying down rules on support for ‘strategic plans under the CAP’ and financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) to support the recovery from the COVID-19 pandemic.

BACKGROUND: in order to contain the ‘COVID-19’ outbreak, Member States and third countries have adopted an unprecedented set of measures. These measures have significantly disrupted economic activities.

A sharp contraction of growth in the Union is now forecast for 2020 and is likely to continue into 2021. Recovery risks being very uneven in the different Member States, increasing the divergence between national economies. The different fiscal ability of Member States to provide financial support where it is needed most for recovery and the divergence of national measures endangers the single market.

This exceptional situation calls for a coherent and unified approach at the level of the Union to prevent further deterioration of the economy and to boost a balanced recovery of the economic activity, ensuring continuity and increase in investments for the green and digital transition.

A comprehensive set of measures for economic recovery are needed, requiring substantial amounts of public and private investment to energise the economy, create high-quality jobs and invest in repairing the immediate damage brought by the COVID-19 pandemic.

Targeted changes to the Framework Programme for Research and Innovation and its implementing Specific Programme [Horizon Europe](#), – the Neighbourhood, Development and International Cooperation Instrument ([NDICI](#)) – the European Agricultural Fund for Rural Development (EAFRD) interventions under the CAP strategic plans are proposed by the Commission as part of the revised proposal for the Multiannual Financial Framework (MFF) for the period 2021-2027, which includes the [EU Recovery Instrument](#).

This new instrument shall make it possible to finance these programmes for a limited period above the ceilings for commitment and payment appropriations set by the MFF, as external assigned revenue.

CONTENT: the main changes introduced to the Regulation on ‘strategic plans under the CAP’ are intended to:

- enable the implementation of the measures laid down in the proposal for a Regulation establishing an EU Recovery Instrument through the mechanisms for implementing the EAFRD;

- enable financing from the EU Recovery Instrument as external assigned revenues in accordance with Article 21(5) of the Financial Regulation.

The EU Instrument for Recovery shall therefore reinforce support, through the European Agricultural Fund for Rural Development (EAFRD), making available for Member States exceptional additional resources to provide assistance to the farming and food sectors that have been hardly hit, for fostering crisis repair in the context of the COVID-19 outbreak and preparing the recovery of the economy.

Budgetary implications

The Commission proposes to make a total of **EUR 16 483 million** available for the EAFRD. The additional funding shall be made available through the European Instrument for Recovery on the basis of the empowerment provided for in the new Own Resources Decision.

This amount shall be made available as additional resources for budgetary commitment under the EAFRD for the years 2022, 2023 and 2024 in addition to the global resources as follows:

- 2022: EUR 8 117 million;

- 2023: EUR 4 140 million;

- 2024: EUR 4 226 million

Up to 4 % of the total additional resources may be allocated to technical assistance at the initiative of the Member States under EAFRD contributions to the CAP Strategic Plans of the Member States.

The additional resources would be used under a new specific CAP objective to support operations preparing for economic recovery.

As a general rule, the financial support and the relevant actions carried out by the Commission should be frontloaded by the end of 2024 and, as regards the non-repayable financial support, for at least 60 % of the total, be undertaken by the end of 2022.

The remaining years after 2024 until the end of the MFF should therefore be used by the Commission to foster the implementation of the relevant actions on the ground and to achieve the expected recovery in the relevant economic and social sectors and promoting resilience and convergence.