Basic information

2018/0216(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
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 Repealing Regulation (EU) No 1307/2013 2011/0280(COD) Repealing Regulation (EU) No 1305/2013 2011/0282(COD) Amended by 2022/0164(COD) Amended by 2024/0073(COD) Amended by 2024/0319(COD) Amended by 2025/0071(COD) Amended by 2025/0236(COD) **Subject** 3.10 Agricultural policy and economies 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD) 3.10.13 European Agricultural Guidance and Guarantee Fund, EAGGF and EAGF	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	JAHR Peter (EPP)	18/09/2019
	Shadow rapporteur NOICHL Maria (S&D) HLAVÁČEK Martin (Renew) HÄUSLING Martin (Greens/EFA) RUISSEN Bert-Jan (ECR) LEBRETON Gilles (ID) FLANAGAN Luke Ming (GUE/NGL)	

Former committee responsible	Former rapporteur	Appointed
AGRI Agriculture and Rural Development		

Committee for opinion	Rapporteur for opinion	Appointed

DEVE Development		
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets		
CONT Budgetary Control		
ENVI Environment, Public Health and Food Safety (Associated committee)	HANSEN Christophe (EPP)	16/09/2019
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
REGI Regional Development	ROPĖ Bronis (Greens/EFA)	02/07/2019
FEMM Women's Rights and Gender Equality	SCHNEIDER Christine (EPP)	17/06/2020

Former committee for opinion	Former rapporteur for opinion	Appointed
DEVE Development		
INTA International Trade		
BUDG Budgets		
CONT Budgetary Control		
ENVI Environment, Public Health and Food Safety (Associated committee)		
ITRE Industry, Research and Energy		
REGI Regional Development		
FEMM Women's Rights and Gender Equality		

Council of the European Union	
European Commission	**Commission DG** / **Commissioner** Agriculture and Rural Development / HOGAN Phil
European Economic and Social Committee	

Key events

Date	Event	Reference	Summary
01/06/2018	Legislative proposal published	COM(2018)0392	Summary
11/06/2018	Committee referral announced in Parliament, 1st reading		
05/07/2018	Referral to associated committees announced in Parliament		
02/04/2019	Vote in committee, 1st reading		
23/05/2019	Committee report tabled for plenary, 1st reading	A8-0200/2019	Summary
21/10/2019	Resumption of business from the previous parliamentary term		
19/10/2020	Results of vote in Parliament		
20/10/2020	Results of vote in Parliament		
20/10/2020	Debate in Parliament		
21/10/2020	Results of vote in Parliament		
22/10/2020	Results of vote in Parliament		
23/10/2020	Decision by Parliament, 1st reading	T9-0287/2020	Summary
23/10/2020	Results of vote in Parliament		
23/10/2020	Matter referred back to the committee responsible for interinstitutional negotiations		
09/09/2021	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2021)003502 PE696.351	
23/11/2021	Decision by Parliament, 1st reading	T9-0456/2021	Summary
23/11/2021	Results of vote in Parliament		
23/11/2021	Debate in Parliament		
02/12/2021	Act adopted by Council after Parliament's 1st reading		
02/12/2021	Final act signed		
06/12/2021	Final act published in Official Journal		

Technical information	
Procedure reference	2018/0216(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Regulation (EU) No 1307/2013 2011/0280(COD) Repealing Regulation (EU) No 1305/2013 2011/0282(COD) Amended by 2022/0164(COD) Amended by 2024/0073(COD) Amended by 2024/0319(COD) Amended by 2025/0071(COD) Amended by 2025/0236(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 043-p2 Treaty on the Functioning of the European Union TFEU 042-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/9/00350

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE627.760	29/10/2018	
Committee opinion	BUDG	PE625.573	22/11/2018	
Committee opinion	CONT	PE631.922	30/01/2019	
Committee opinion	DEVE	PE629.646	12/02/2019	
Committee opinion	FEMM	PE630.397	04/03/2019	
Committee opinion	REGI	PE629.641	08/03/2019	
Committee opinion	ENVI	PE630.523	04/04/2019	
Committee report tabled for plenary, 1st reading/single reading		A8-0200/2019	23/05/2019	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T9-0287/2020	23/10/2020	Summary
Text agreed during interinstitutional negotiations		PE696.351	23/07/2021	
Text adopted by Parliament, 1st reading/single reading		T9-0456/2021	23/11/2021	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2021)003502	23/07/2021	
Draft final act	00064/2021/LEX	02/12/2021	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2018)0392	01/06/2018	Summary
Document attached to the procedure	SWD(2018)0301	01/06/2018	
Supplementary legislative basic document	COM(2020)0459	29/05/2020	Summary
Commission response to text adopted in plenary	SP(2021)792	18/01/2022	
Follow-up document	COM(2023)0707	23/11/2023	

National parliaments

Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	PL_SEJM	COM(2018)0392	19/09/2018	
Contribution	ES_PARLIAMENT	COM(2018)0392	27/09/2018	
Contribution	IE_HOUSES-OF-OIREACHTAS	COM(2018)0392	09/10/2018	
Contribution	DE_BUNDESRAT	COM(2018)0392	23/10/2018	
Reasoned opinion	FR_ASSEMBLY	PE627.925	24/10/2018	
Contribution	CZ_SENATE	COM(2018)0392	26/10/2018	
Contribution	RO_SENATE	COM(2018)0392	06/11/2018	
Contribution	HR_PARLIAMENT	COM(2018)0392	20/11/2018	
Contribution	EL_PARLIAMENT	COM(2018)0392	04/03/2020	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES3141/2018	17/10/2018	
CofA	Court of Auditors: opinion, report	N8-0019/2019 OJ C 041 01.02.2019, p. 0001	25/10/2018	Summary
CofR	Committee of the Regions: opinion	CDR3637/2018	05/12/2018	

Additional information

Source	Document	Date
European Parliament	Briefing	18/01/2021
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
FLANAGAN Luke Ming	Shadow rapporteur	AGRI	27/05/2021	The Irish Natura And Hill Farmers Assocation
FLANAGAN Luke Ming	Shadow rapporteur	AGRI	09/04/2021	Farmeye
FLANAGAN Luke Ming	Shadow rapporteur	AGRI	03/03/2021	The Irish Natura And Hill Farmers Assocation

Final act

Regulation 2021/2115
OJ L 435 06.12.2021, p. 0001

Corrigendum to final act 32021R2115R(03)
OJ L 136 01.09.2022, p. 0136

Corrigendum to final act 32021R2115R(12)
OJ OJ L 18.09.2026

Corrigendum to final act 32021R2115R(02)
OJ L 181 07.07.2022, p. 0035

Delegated acts

Reference	Subject
2022/2553(DEA)	Examination of delegated act
2025/2652(DEA)	Examination of delegated act
2022/2965(DEA)	Examination of delegated act
2023/2562(DEA)	Examination of delegated act
2025/2728(DEA)	Examination of delegated act
2022/3014(DEA)	Examination of delegated act
2023/2819(DEA)	Examination of delegated act
2026/2890(DEA)	Examination of delegated act
2026/2589(DEA)	Examination of delegated act
2026/2585(DEA)	Examination of delegated act

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) - 29/05/2020 - Supplementary legislative basic document

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.

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) - 23/10/2020 - Text adopted by Parliament, partial vote at 1st reading/single reading

Parliament adopted by 425 votes to 212, with 51 abstentions, amendments on the proposal for a Regulation of the European Parliament and of the Council establishing rules support for strategic plans under the CAP financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD).

The matter was referred to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary concern the following points:

Improving the environmental performance of EU farms

Members stated that Member States should ensure that Common Agricultural Policy (CAP) strategic plans contribute to the timely achievement of the objectives set out in the Sustainable Development Programme 2030, the Paris Climate Agreement and the European Green Deal.

Furthermore, the EU and its Member States should ensure that development cooperation objectives are taken into account in all CAP interventions, and respect the right to food as well as the right to development.

Parliament has reinforced mandatory climate and environmental requirements, i.e. the cross-compliance clauses that every farmer must respect in order to get direct support. EAGF and EAFRD support should thus aim to:

- promote the development of a modern, competitive agricultural sector that guarantees long-term food security, while at the same time preserving the family farming model;

- strengthen market orientation on local, national, EU and international markets, as well as market stabilisation and risk and crisis management;

- contribute to climate change mitigation by reducing greenhouse gas emissions and integrate sustainable energy into the agricultural sector, while ensuring food security, sustainable management and protection of forests;

- improve ecosystem services and contribute to reversing the loss of biodiversity and supporting high nature value farming systems. Member States' strategic plans should include an area of at least 10% of landscape elements beneficial to biodiversity;

- strengthen the socio-economic fabric of rural areas to help preserve and create jobs, ensuring a sustainable income for farmers and combating rural depopulation;

- support young and new farmers and promote the participation of women in the agricultural sector. Member States should allocate at least 4% of their budget for direct payments to support young farmers.

Aid would only be granted to ‘active’ farmers carrying out a minimum level of agricultural activity.

Members stressed the importance of setting up farm advisory services in each Member State and earmarking at least 30% of the EU funds granted to them to help farmers combat climate change, manage natural resources sustainably and protect biodiversity.

Climate, environment and animal welfare schemes

Member States should offer a broad variety of eco-schemes in order to ensure that farmers are able to participate and to reward different ambition levels.

Support for eco-schemes should take the form of an annual payment per eligible hectare and/or a per holding payment, and it should be granted as incentive payments going beyond

compensation of additional costs incurred and income foregone, which may consist of a lump sum.

Member States could also provide for additional income support for voluntary schemes to boost competitiveness.

At least 30% of the budget for direct payments should be devoted to environmental schemes, which would be voluntary but could increase farmers' incomes

Support for small farms

Members considered that redistributive income support for sustainable development should be redistributed fairly from large to small and medium-sized farms.

Member States should reduce the amount of direct payments to be granted to a farmer in a given calendar year when that amount exceeds a threshold of EUR 100 000 (instead of the EUR 60 000 proposed by the Commission) but could allow farmers to deduct 50% of their farm-related income from the total amount before the reduction.

At least 6% of national direct payments should be used to support small and medium-sized farms.

Rural development

Members proposed that at least 35 % of the total EAFRD contribution to the CAP Strategic Plan should be reserved for interventions of all types addressing the specific environmental- and climate-related objectives.

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) - 23/11/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 452 votes to 178, with 57 abstentions, a legislative resolution on the proposal for a regulation 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).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Subject matter and scope

The regulation should apply to Union aid financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) for interventions specified in a common agricultural policy (CAP) Strategy Plan drawn up by a Member State and approved by the Commission, covering the period from 1 January 2023 to 31 December 2027.

A fairer and greener CAP

In line with the objectives of the CAP and the objective of maintaining the functioning of the internal market and a level playing field between farmers in the Union and with the principle of subsidiarity, support from the EAGF and the EAFRD should aim to improve the sustainable development of agriculture, food and rural areas and should contribute to the following objectives:

- to support **viable farm income** and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union;

- to improve **the farmers' position** in the value chain;

- to contribute to **climate change** mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;

- to foster **sustainable development and efficient management of natural resources** such as water, soil and air, including by reducing chemical dependency;

- to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes;

- to attract and sustain **young farmers** and new farmers and facilitate sustainable business development in rural areas;

- to **promote employment, growth, gender equality**, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry;

- to improve the response of Union agriculture to **societal demands on food and health**, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance.

These objectives are complemented by the cross-cutting objectives of modernising agriculture and rural areas by fostering and sharing knowledge, innovation and **digitalisation in agriculture** and rural areas, and encouraging their uptake.

Result-driven

The reform also shifts the emphasis of the CAP from conditionality with rules to results, giving Member States the freedom to implement tailor-made interventions based on strategic planning and common specific objectives in line with their needs.

Environmental and social conditionality

Member States should include in their CAP Strategic Plans a system of conditionality under which farmers and beneficiaries receiving direct payments should be subject to an **administrative penalty** if they do not comply with the statutory management requirements under Union law and with the **standards for good agricultural and environmental condition of land** (GAEC) set out in the CAP Strategic Plans covering: (a) climate and environment, including water, soil and biodiversity of ecosystems; (b) public and plant health; (c) animal welfare.

The post-2020 CAP places greater emphasis on the **social dimension of agriculture**. Under the new regulation, by 1 January 2025 at the latest, farmers and other recipients of direct payments would be subject to an administrative penalty if they fail to provide adequate employment conditions as required by the relevant EU legislation.

Payments for small farmers

The new regulation contains provisions aiming to ensure targeted support to small farmers and to help young farmers set themselves up. In view of the acknowledged need to promote a more balanced distribution of support to small and medium-sized holdings in a visible and measurable way, Member States should implement complementary redistributive income support for sustainability and **dedicate at least 10 % of the direct payments envelope to such support**.

Member States should grant a payment to small farmers, as determined by the Member States, by means of a flat-rate amount or amounts per hectare which replace direct payments. The annual payment for each farmer should not exceed EUR 1 250.

Capping and degressivity of payments

Member States may **cap the amount of the basic income support** for sustainability to be granted to a farmer for a given calendar year. Member States that choose to introduce capping shall reduce by 100 % the amount exceeding EUR 100 000.

Member States may also:

- reduce the amount of the basic income support for sustainability to be granted to a farmer for a given calendar year exceeding EUR 60 000 by up to 85 %;

- set additional tranches above EUR 60 000 and specify the percentages of reduction for those additional tranches. They shall ensure that the reduction for each tranche is equal to or higher than for the previous tranche.

Coupled income support

Member States may grant coupled income support to active farmers under the conditions set out in this Subsection and as further specified in their CAP Strategic Plans. The Member States' interventions should help the supported sectors and productions or specific types of farming to address the difficulties encountered by improving competitiveness, sustainability or quality. Member States shall not be required to demonstrate the difficulties encountered in relation to protein crops.

Rural development

The total amount of Union support for the types of intervention for rural development covered by the Regulation for the period 1 January 2023 to 31 December 2027 is **EUR 60 544 439 600** in current prices.

The regulation stipulates that **at least 35%** of the total EAFRD contribution to the CAP strategic plan should be reserved for the interventions in support of specific environmental and climate-related objectives, including animal welfare.

Member States should set up **eco-schemes** as 'entry-level schemes', which should be a condition for farmers for taking up more ambitious environmental, climate-related and animal welfare commitments under rural development.

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) - 01/06/2018 - Legislative proposal

PURPOSE: to modernise and simplify the common agricultural policy (CAP) beyond 2020 (regulation on the CAP strategic plans).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the context in which the last CAP reform was decided in 2013 has shifted considerably. More specifically: (i) agricultural prices have fallen sharply as a result of macroeconomic factors and geopolitical tensions; (ii) the EU has become more open to global markets; (iii) the EU has made new commitments at international level, for example on climate change mitigation (through COP 21).

On the basis of the Commission proposal for the multiannual financial framework (MFF) 2021-2027, the Commission is presenting a set of regulations which define the legislative framework of the CAP for the period 2021-2027, namely:

- **a regulation on CAP strategic plans**;
- a horizontal regulation on the financing, management and monitoring of the CAP;
- and a single common organisation of the markets (CMO) Regulation.

These proposals give shape to the reflections on the future of the CAP presented in the Commission Communication on the future of food and agriculture in November 2017, which highlighted the challenges, objectives and possible avenues for **a 'future-proof' CAP, that needs to be simpler, smarter and more modern, leading to the transition to a more sustainable agriculture**.

CONTENT: this proposal lays down rules on the **objectives to be pursued** through Union support financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) under the CAP. It also defines the **new working method** covering direct payments to farmers, rural development support and sectoral support programmes.

Objectives adapted to the new priorities: the CAP general objectives shall focus on the economic viability, the resilience and income of farms, on an enhanced environmental and climate performance, and on the strengthened socio-economic fabric of rural areas.

The future CAP shall focus on nine specific objectives:

- support viable farm income and resilience across the EU territory to enhance food security;
- enhance market orientation and increase competitiveness including greater focus on research, technology and digitalisation;
- improve farmers' position in the value chain;
- contribute to climate change mitigation and adaptation, as well as sustainable energy;
- foster sustainable development and efficient management of natural resources such as water, soil and air;
- contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;
- attract young farmers and facilitate business development in rural areas;
- promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;
- improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, as well as animal welfare.

Moreover, fostering knowledge, innovation and digitalisation in agriculture and rural areas is a cross-cutting objective. To deliver on these objectives Member States shall ensure simplification and performance of CAP support.

Greater flexibility for Member States: Member States shall have a **certain level of flexibility** for transfers between allocations. The focus shall be less on rules and compliance and more on results and **performance**. This approach will give far greater freedom to Member States to decide how best to meet the common objectives at the same time as responding to the specific needs of their farmers, rural communities and society at large.

Member States shall present their proposed interventions to achieve the EU specific objectives in a **CAP strategic plan**. In the plans, Member States shall set targets on what they want to achieve in the programming period using commonly defined result indicators.

The Commission shall assess the proposed CAP strategic plans to ensure the consistency and coherence with the general principles of Union law and the protection of the internal market. Once the CAP strategic plans are established, Member States shall annually report on the progress made in the implementation. The Member States and Commission will monitor progress and evaluate the effectiveness of the interventions.

Better targeting of aid: direct payments shall remain an essential part of the policy, as farmers' income needs to be supported to foster a smart and resilient agricultural sector. Priority shall be given to supporting small and medium-sized farms and young farmers. Income support should be targeted to genuine farmers.

The proposal provides *inter alia* for:

- a reduction of payments as of **EUR 60 000** and compulsory capping for payments above EUR 100 000 per farm, with the possibility for Member States to deduct labour costs from the amount of direct payments;
- the possibility of granting a higher level of support per hectare for small and medium-sized farms;
- the obligation for Member States to allocate **at least 2%** of their direct payment allocation to attract young farmers.

Member States should be allowed to use part of their financial ceiling available for direct payments for **coupled income support** in order to improve competitiveness, sustainability, and/or quality in certain sectors and productions that are particularly important for social, economic or environmental reasons and undergo certain difficulties.

More ambitious environmental and climate objectives: direct payments shall be conditional on increased environmental and climate requirements. A new system of so-called '**eco-schemes**', funded from national direct payment allocations, will be mandatory for Member States, although farmers will not be obliged to join them. These eco-schemes will have to address the CAP environment and climate objectives in ways that complement the other relevant tools available and go beyond what is already requested under the conditionality requirements.

Member States will be required to dedicate **at least 30%** of their rural development budget to environment and climate measures. **40% of the total CAP** budget shall contribute to climate action.

For **rural development**, it is proposed to rebalance the financing between the EU and Member States' budgets. Less developed regions should continue to benefit from higher co-financing rates, which will also apply to certain interventions such as LEADER and the payments for management commitments.

Member States shall have the possibility to **transfer up to 15% of respective direct payments** to EAFRD allocation and vice versa. A higher percentage can be transferred from direct payments to EAFRD allocation for interventions addressing environmental and climate objectives and installation grants for young farmers.

AVAILABLE BUDGET: the Commission proposal on the multiannual financial framework for 2021-2027 provides that a significant part of the EU budget should continue to be dedicated to agriculture, which is a common policy of strategic importance. Thus, in current prices, it is proposed that the CAP should focus on its core activities with **EUR 286.2 billion** allocated to the EAGF and **EUR 78.8 billion** for the EAFRD.

These agricultural funds are complemented by **additional funding** from Horizon Europe, as the proposed envelope for this programme includes **EUR 10 billion** to support research and innovation in food, agriculture, rural development and the bioeconomy.

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.

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) - 25/10/2018 - Court of Auditors: opinion, report

OPINION No 7/2018 of the Court of Auditors concerning Commission's proposals for regulations relating to the common agricultural policy (CAP) for the post-2020 period.

The legislative proposal for the CAP after 2020 examined by the Court of Auditors includes three regulations accompanied by an impact assessment, as well as an explanatory memorandum on the three regulations.

The main proposed changes to the CAP for the post-2020 period are as follows:

- one CAP strategic plan per Member State for all CAP expenditure (direct payments, rural development and market measures),

- an attempt to move towards a performance-based system,

- an attempt to redefine the eligibility of spending (reported outputs and a new concept of legality and regularity),

- changes in control systems (a changed role for the certification bodies).

The "CAP Strategic Plans Regulation" covers the objectives of the CAP, the types of interventions financed under the policy and the general requirements for the preparation of CAP strategic plans.

Needs assessment

The Court of Auditors notes that in some key areas, the Commission has not defined needs on the basis of solid evidence. Thus, the data and arguments used by the Commission to support the assessment of farmers' income needs are insufficient.

The Commission has removed from its impact assessment the option of terminating the CAP but has not provided strong economic evidence to support the options ultimately chosen, in which traditional CAP measures are maintained: direct payments, market measures and rural development.

Greening the CAP

The proposal does not appear to correspond to a clear increase in the Commission’s environmental and climate ambitions. Since it would be up to Member States to prioritise in their CAP strategic plans the types of interventions to be financed, it is difficult to know how the Commission would verify whether these plans are ambitious from an environmental and climate point of view. Therefore, the Commission's estimate of the CAP's contribution to the corresponding EU objectives would appear to be unrealistic.

Under the proposal, EU funds would be allocated neither on the basis of an EU-wide needs assessment nor on the basis of expected results.

Each Member State would allocate part of its pre-established financial envelope to specific interventions based on its own needs assessment. Member States would continue to be required to use direct payments calculated on the basis of the number of hectares of land owned or cultivated.

The Court considers that this instrument is not suited to addressing many environmental and climate concerns; nor does it represent the most efficient way of supporting sustainable farm incomes.

Simplification

The combined programming, within one national CAP strategic plan, of measures currently spread between the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) could help to ensure consistency between the different CAP measures. However, it is difficult to know whether the CAP would be simplified overall, as complexity would increase in other respects (e.g. the proposal introduces an environmental programme with objectives similar to those of two other environmental instruments).

Performance-based model

The Court considers that the proposal does not contain the necessary elements for an effective performance measurement system. The absence of clear, specific and quantified objectives at EU level creates uncertainty about how the Commission would assess Member States' CAP strategic plans. The Court recommends that the following elements be included:

- clear, specific and quantified EU objectives for which achievement can be measured,

- measures that are clearly linked to the objectives,

- a fully developed set of output, result and impact,

- requirements for Member States to compile reliable and comparable statistics on disposable farm income,

- transparent criteria for assessing the content and quality of CAP strategic plans,

- performance-based payments to Member States.