

STUDY

Requested by the AGRI Committee



Comparative analysis of the CAP Strategic Plans and their effective contribution to the achievement of the EU objectives



Agriculture and Rural Development



Policy Department for Structural and Cohesion Policies
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RESEARCH FOR AGRI COMMITTEE

Comparative analysis of the CAP Strategic Plans and their effective contribution to the achievement of the EU objectives

Abstract

This study provides a comparative assessment of the 28 Common Agricultural Policy Strategic Plans of the 27 EU Member States. It assesses the main features of the regulatory framework for the 2023-2027 period including the approval process of the plans and provides an overview of the financial allocations of the 28 Strategic Plans and the specificities of their implementation. The study provides a first evaluation of the relevance of the Strategic Plans and their contribution to the objectives of the European Green Deal. It concludes with an overall analysis of the added value of the new delivery model and a set of policy recommendations.

This document was requested by the European Parliament's Committee on Agriculture and Rural Development.

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LIST OF ABBREVIATIONS

AECM(s)	Agri-environmental and climate measure(s)
AKIS	Agricultural Knowledge and Innovation System
ANC	Compensation for natural or other area-specific constraints
ASD	Area-specific disadvantages resulting from certain mandatory requirements
BISS	Basic Income Support for Sustainability
CAP	Common Agricultural Policy
CF	Cohesion Fund
CIS	Coupled Income Support
CIS-YF	Complementary Income Support for Young Farmers
CMO	Common Market Organisations
COOP	Cooperation
CRISS	Complementary Redistributive Income Support
CSP(s)	Common Agricultural Policy Strategic Plan(s)
DG	Directorate General
DP	Direct Payment
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EAGGF	European Agricultural Guidance and Guarantee Fund
EGD	European Green Deal
EIP	European Innovation Partnership
ENVCLIM	Environmental, climate-related and other management commitments
GAEC	Good Agricultural and Environmental Condition
GHG	Greenhouse Gas
GHG	Greenhouse Gas
INSTAL	Setting-up of young farmers and new farmers and rural business start-up
INVEST	Investments in agriculture, forestry, environment and rural
KNOW	Knowledge exchange and dissemination of information
LEADER	Liaison entre actions de développement de l'économie rurale
MA	Managing Authority
MFF	Multiannual Financial Framework
MS	Member State
PMEF	Performance Monitoring and Evaluation Framework

RISK	Risk management tools
RRF	Resilience and Recovery Facility
SFC	Structural Funds Communication
SMR	Statutory Management Requirements
SO	Specific Objective
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
UAA	Utilised Agricultural Area
WFD	Water Framework Directive
YF	Young Farmers

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EXECUTIVE SUMMARY

KEY FINDINGS

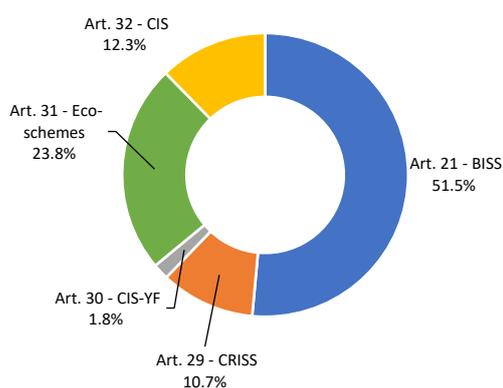
- **The Common Agricultural Policy (CAP) 2023-2027 framework introduced changes aimed at increasing overall policy coherence of the CAP.** The two pillars of the 2014-2022 period are now combined under single CAP Strategic Plans (CSPs) and Member States (MS) were asked to commit significant resources to green and sustainable objectives, primarily via eco-schemes.
- **EU resources for the 2023-2027 CSPs from the EAGF and the EAFRD amount to € 260.9 billion** (75.4% for EAGF and 24.6% for EAFRD, a proportion similar to the previous programming period). Transfers from the direct payments (DP) to the rural development (RD) envelope concern 11 MS, while 6 MS foresee transfers from the rural development to the direct payments envelope.
- **Economic support to farms via DP remains the dominant feature of the plans.** Basic income support for sustainability represents the largest share of direct payment funding (51.5%). Compared to the previous programming period the main changes include (1) an **increase in redistributive income support** (from 4.3% of direct payments in 2019 to 10.7% for 2023-2027), (2) **the extension of coupled income support** (from 10.8% in 2019 to 12.3% for 2023-2027) and (3) **the introduction of the eco-schemes** (23.8% of direct payments for a total number of 158 eco-schemes). Only 11 MS apply **capping and/or degressivity** and 3 foresee **risk management tools** under DP.
- **Rural development funding is very diverse across the Member States.** The average contribution rate of EU financing to rural development interventions is 60% (i.e. 40% of national financing), with significant variations according to the type of interventions and across MS. **Environment and climate interventions, risk management tools (implemented by 14 MS) and LEADER have been strengthened, while investments and compensation for natural constraints remain key priorities.** At the level of **young farmers**, there is an overall shift from RD to DP. Support for non-agricultural rural development is increasingly supported through LEADER.
- **According to the ex-ante evaluations of the CSPs, their relevance is high in terms of economic needs and moderate for rural development and environmental needs.** Economic and environmental needs are emphasised across the 28 CSPs, with a focus on targeting economic farm needs which translates into less ambitious environmental and rural development objectives. While the European Green Deal's objectives are mentioned by all CSPs, they are non-binding and the contributions not consistently specific.
- **The new Performance Monitoring and Evaluation Framework (PMEF) is one of the key elements of new delivery model.** However, the proposed system of indicators appears incomplete for evaluating the specific objectives, in particular climate and environmental interventions.
- **Recommendations to the Member States and the Commission** focus on the importance of the evaluation of the CSPs and the assessment of outcomes and the related administrative burden. MS are advised to make active use of the EU CAP network to share best practices, notably to increase the uptake of eco-schemes. The Commission should provide guidance to assess the links between results and impacts and launch an assessment of the implementation of eco-schemes by 2024 within the green architecture.

1.1. Objectives and conclusions

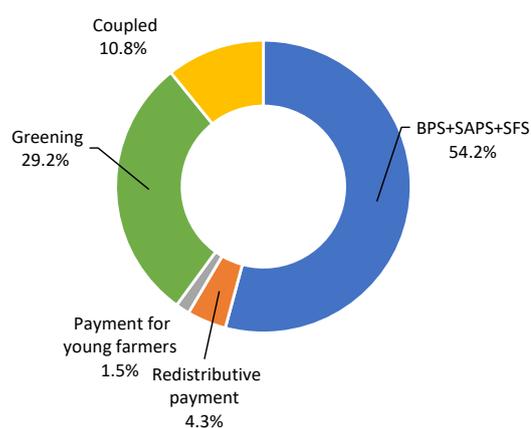
- The objective of this study is to provide insights into the implementation characteristics of the CAP 2023-2027 across the Member States and to assess the relevance of the plans and their contributions to the CAP and Green Deal objectives.
- The new CAP framework introduced a common regulation to increase overall policy coherence of the CAP. Member States were asked to commit significant resources to green and sustainable objectives. This was underlined by the introduction of the eco-schemes, strengthened conditionality and significant funding for interventions benefitting climate, natural resources and biodiversity under RD.
- The analysis of the 28 CAP Strategic Plans (CSPs)¹ shows the great diversity and heterogeneity of the approaches adopted by the Member States.

Share of planned distribution of direct payments (EAGF) in CSPs 2023-2027 compared to 2019

Direct payment planned 2023-2027 – EU-27



Direct payment expenditure in 2019 – EU-27



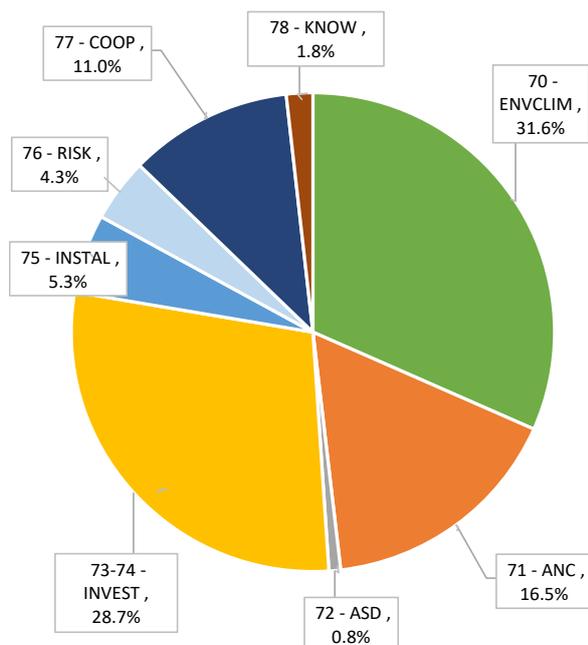
Source: Project team, based on SFC2021 data (January 2023)

- The overall balance between DP and RD funding is very similar to the previous programming period (see figure above). While direct payments still represent the dominant form of intervention, a number of changes have been introduced and translate into: (1) the significant increase in redistributive income support, (2) the increase in the share of coupled income support and (3) the introduction of new voluntary eco-schemes, with a wide variety of scopes and approaches.
- The distribution of allocations also shows the diversity of approaches at the level of rural development funding (see below). Support to the agricultural sector remains dominant, at times to the detriment of wider rural development stakeholders. However, environmental and climate measures, risk management instruments and LEADER have been strengthened.

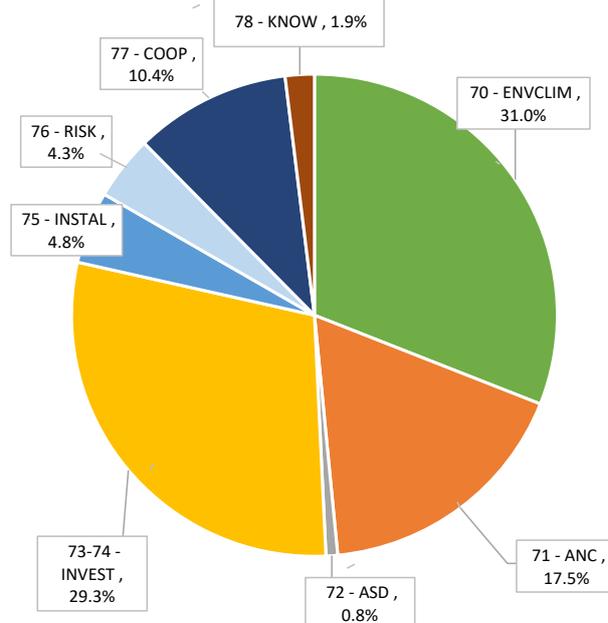
¹ One per Member State and two for Belgium.

Share of planned rural development interventions

In EAFRD



In total public funding (EAFRD & national)



Source: Project team, based on SFC2021 data (January 2023)

- The relevance of the CSPs is high in terms of economic needs and moderate for rural development and for environmental needs according to the ex-ante evaluations. Economic and environmental needs are emphasised across the 28 CSPs and are appropriately targeted. Rural development needs, while prominent, are often targeted outside of the CAP.
- The interventions of the CSPs target identified needs, however the extent of dedicated funding varies. An emphasis is on targeting economic needs of the agricultural sector in terms of dedicated funding. Environmental needs are targeted by the interventions of the CSPs, however, target setting is not consistently ambitious across all CSPs.
- Member States target significant needs outside the framework of the CAP. This is often the case for rural investment needs (broadband and infrastructure) targeted by the Resilience and Recovery Facility, and also for forestry, risk management and the Agricultural Knowledge and Innovation System via national policies.
- Contributions to European Green Deal objectives are included throughout the CSPs, but are largely unquantified and unspecified. The eco-schemes, together with the agri-environment and climate measures including organic farming and strengthened conditionality, are likely to contribute to the objectives. The extent of contribution, however, will depend on the uptake and implementation of the eco-schemes.
- The new PMEF is a key element of the new delivery model, covering the entire CAP. However, the proposed system of indicators appears incomplete for evaluating the specific objectives, requiring additional data collection. This is the case especially for the climate and environmental result indicators.
- Member States are provided with significant increased flexibility in their evaluations, with fewer common requirements. However, this may result in heterogeneous evaluations, produced too late to support adaptation of the current period and even the post 2027 period.

- The CAP reform introduces changes for a simpler and more flexible implementation, particularly via single audit, simplified application procedures and higher levels of digitalisation in administrations.

1.2. Key recommendations

- To achieve the CAP's environmental and climate goals, the project team recommends to carefully assess the MS green architecture and, based on this assessment, to foresee the necessary adaptations including in some MS more ambitious eco-schemes.
- As the new evaluation framework gives Member States more flexibility over when and how they assess the CAP interventions, the project team recommends an initiation of activities by 2025.
- The result indicators in the PMEF do not consistently capture intervention results or outcomes. Evaluations at EU and Member State level should feature significant ambition in the assessment of results and link them to the related interventions.
- Member States opted to target a number of significant needs specified in the CAP Strategic Plans with other policies and tools outside of the CAP. It is recommended that evaluation efforts are conducted, covering not only the CAP Strategic Plans, but also the national and EU policy instruments contributing to these goals.
- In order to assess whether the foreseen administrative simplification has resulted in actual changes in administrative burden perceived by beneficiaries and authorities, a systematic EU-27 assessment of administrative burden is recommended.

2. INTRODUCTION

2.1. Context of the study and approach

The objective of this study is to provide insights into the implementation characteristics of the Common Agricultural Policy (CAP) 2023-2027 across the Member States. It further presents an assessment of relevance of the CAP Strategic Plans (CSPs) and summarises their contributions to Green Deal and CAP objectives.

The structure of the report is organised along six chapters. **Chapter 2** provides a description of the key features of the CAP regulatory framework, including the main new developments and a summary of the approval and evaluation processes. **Chapter 3** outlines a comprehensive analysis of the interventions, the funding allocated by Member States, and application of conditionality provisions. Additionally, the typologies and clustering of the CSPs are presented in this chapter in order to highlight implementation patterns and differences. **Chapter 4** assesses the overall relevance of the 28 CSPs regarding their contribution to the objectives, including the allocated funding and the set national targets. Furthermore, it investigates contributions to the European Green Deal and the inclusion of European Commission recommendations into the CSPs. **Chapter 5** provides an estimation of the added value of the new delivery model, including an assessment of the indicators, an overall analysis of the contributions to the CAP objectives, and an assessment of the implications of increased subsidiarity. **Chapter 6** highlights the summary conclusions of this report and key recommendations for the CAP for the 2023-2027 and post 2027 periods.

Overview of applied methods

Given the range and the required depth of the topics covered by the study objectives, a multi-level analytical and methodological approach was applied including:

- Analysis of relevant research literature studies and technical reports to assemble an overview of the prior findings related to the CAP 2023-2027 and of the CAP regulation.
- Targeted reviews of the 28 CSPs, ex-ante evaluations, and observation letters carried out by a network of national experts from EU-27. Further, data and text mining tools were applied to extract standardised pieces of information.
- Analysis of SFC2021 data, covering total public and EU financing per intervention and target values of the result indicators.
- Expert interviews via focus groups with representatives of the European Commission (DG AGRI) to collect complementary evidence, particularly on the approval process, and on the uptake of European Commission (EC) recommendations.
- An indicative cluster analysis was conducted of the CSPs based on target values of a selection of PMEF result indicators and financial allocations. CSPs were grouped around groups of variables linked to the CAP objectives and compared to the EU average of these target indicators.
- A limitation of this study was the available time to conduct the analyses of the CSPs combined with their scope. The review of the 28 CSPs was conducted between January and February 2023, with a total of approx. four months available to draft this study. Due to these limitations, the project team also relied on inputs developed in the programming processes, notably the ex-ante evaluations for the relevance assessment.

2.2. Agricultural policy and rural development in the EU-27

The first mention of common agricultural rules can be found in the Treaty of Rome (1957). The objectives stated were to increase agricultural productivity, to promote a fair standard of living for the agricultural community, and to ensure reasonable prices in supplies for consumers. The CAP as such was launched in 1962, pursuing three main objectives: raise farm productivity and stabilise the agricultural markets; ensure the availability of food at reasonable prices, and provide fair living standards to farmers. At that time, the CAP was composed of the Common Market Organisations (CMO) on cereals, pork, poultry, wine and fruit and vegetables, and the European Agricultural Guidance and Guarantee Fund (EAGGF) (European Parliament, 2022). Since its inception in 1962, the CAP has undergone several reforms.

The 1992 **MacSharry reform** introduced direct payments for producers based on eligible hectares of arable land or heads of livestock, at that time for cereals, oilseeds, protein crops, including set-aside and beef meat, which aimed at compensating reductions in price support. With this reform, agri-environmental and afforestation measures, and an early retirement scheme, co-financed by the Community and the Member States, built a foundation for what would later become Pillar II (Burrell, 2009).

Since then, the CAP reforms followed a similar logic, having less direct impacts on the production and markets, but rather introducing measures aimed at correcting the distribution of support. Moreover, increasingly more measures aimed at reducing agriculture's negative effects on the environment and, more recently, the climate.

- The **Agenda 2000 reform** in 1999 endorsed a more holistic approach and strengthened it in accordance with the expected EU accessions of the early 2000s. This reform introduced Pillar I, comprising direct payments to farmers and decreasing agricultural market regulation measures, and Pillar II, dedicated to rural development (Consilium, 2022b; Nègre, 2022).
- The **Fischler reform**, in 2003 provided more flexibility and options to Member States. This reform also saw the decoupling of Single Farm Payments and the introduction of cross-compliance mechanisms for the direct payments (Burrell, 2009).
- 2007 saw the introduction of the European Agricultural Guarantee Fund (EAGF) replacing the EAGGF, the launch of the European Agricultural Fund for Rural Development (EAFRD), as well as the introduction of a single CMO regrouping the then 21 existing CMOs (European Parliament, 2022).
- The **CAP 2014-2022** provided continuity to the previous programming period (still a two pillar structure), introducing new instruments (a comprehensive Pillar II catalogue addressing inter alia climate change, animal welfare) and an increased inter-pillar flexibility (European Parliament, 2022).

The CAP 2023-2027 continues this pattern of change, with the new policy framework arising from lessons learned and evolving trends affecting the agricultural sector and rural development. The new CAP follows the goals of being fairer, greener, more flexible, and more performance-based. Greater flexibility is given to the Member States, with the CAP setting nine thematic goals and one horizontal goal, thus letting Member States implement instruments tailored to their own needs.

3. KEY FEATURES OF THE NEW CAP LEGISLATIVE AND FINANCIAL FRAMEWORK

KEY FINDINGS

- The new CAP framework introduces a series of changes, aiming at increasing overall policy coherence between the former Pillar I and II of the CAP. Most notably, this includes the merging of Pillar I and II interventions into a single strategic plan together with a common performance framework.
- Member States were required to commit significant funding towards green and sustainable objectives. This was emphasised with the introduction of eco-schemes and strengthened environmental and social conditionalities.
- The approval process of the CSPs was based on a structured dialogue between the European Commission and the Member States. The European Commission developed non-binding recommendations for the draft CSPs based on the CAP context indicators. The draft plans were subsequently assessed along structured criteria, taking national specificities into account.

3.1. Main innovations and changes

The new CAP is implemented via the 28 CAP Strategic Plans, in many cases tying the previously multiple regional programmes into one per Member State². From changes of individual instruments to horizontal revisions affecting the implementation of instruments and the allocation of funds, the new CAP introduced a number of reforms to the overall framework.

- **A fairer and more social CAP:** Better targeting of direct payments to active and smaller farmers, horizontal requirements on gender, improved support to young farmers, engaging a closer convergence of the direct payments across the EU and defining a framework for the definition of active farmers.
- **A greener CAP:** Introduction of eco-schemes to foster climate and environmentally sustainable practices, conditionalities replacing cross-compliance and greening with strengthened statutory management requirements (SMR) and good agricultural and environmental condition (GAEC) standards, minimum ringfencing of funding towards sustainability and commitment to the no-backsliding principle related to environmental and climate-related objectives.
- **A performance-based and simpler CAP:** Output-linked payments to the Member States, a single audit system, a common performance framework for the former Pillar I and II, established links between result indicators, and specific objectives to streamline monitoring and evaluation.
- **A more coherent CAP:** Singular programme documents at national level combining the former Pillar I and II alongside budget allocations from both the EAFRD and the EAGF.

Innovative elements in detail

The new CAP framework includes several innovative elements, ranging from the roll-out of novel instruments to tackle new and evolving needs, to regulatory simplification. A key element is the merging

² With the exception of Belgium, which maintains two (regional) CSPs, one for Flanders and one for Wallonia.

of Pillar I and II into one strategic document per Member State, streamlining the overall funding approach and increasing coherence.

In this programming period, Member States are required to set up **eco-schemes** under the direct payments, generally accounting for 25% of direct payment funding³ (see chapter 3). Participation in eco-schemes is voluntary for farmers but mandatory for Member States. They aim at incentivising climate and environmentally friendly farming as well as promoting animal welfare improvements. The eco-schemes provide income support or compensate farmers for additional costs incurred and income foregone as a result of the environmental and climate or animal welfare commitments (Article 31(7)(a-b) of Regulation 2021/2115). Furthermore, they must be implemented in at least two out of eight areas of action: climate change mitigation, climate change adaptation, water protection, soil protection, protection of biodiversity, sustainable and reduced use of pesticides, enhance animal welfare or combat anti-microbial resistance (Article 31(4)).

Conditionality in the new CAP contains additional strengthened environmental requirements, previously present within the greening instrument (Article 12 and Annex III). This expands environmental commitments linked to the receipt of direct payments. It also includes for the first time in the CAP the **social conditionality rules** (Article 14 and Annex IV)⁴ which are to be phased-in by 2025 at latest. Similar administrative penalties apply with statutory management requirements and GAEC standards.

Several elements of reform affect the administrative implementation of the new CAP, in view of enhancing overall performance. Under the **single audit** approach, the European Commission relies on the results and assurances provided by paying agencies and certification bodies of the Member States. The European Commission, thus, focusses on the auditing systems of the Member States. While the European Commission may verify whether the CSP is implemented as approved, Member States verify whether all eligibility requirements have been respected. The single audit approach has previously already been implemented within Cohesion Policy and is now a feature of the new CAP. Furthermore, the annual reimbursements to the Member States are **linked to achieved outputs**, more closely aligning implementation to financial payments.

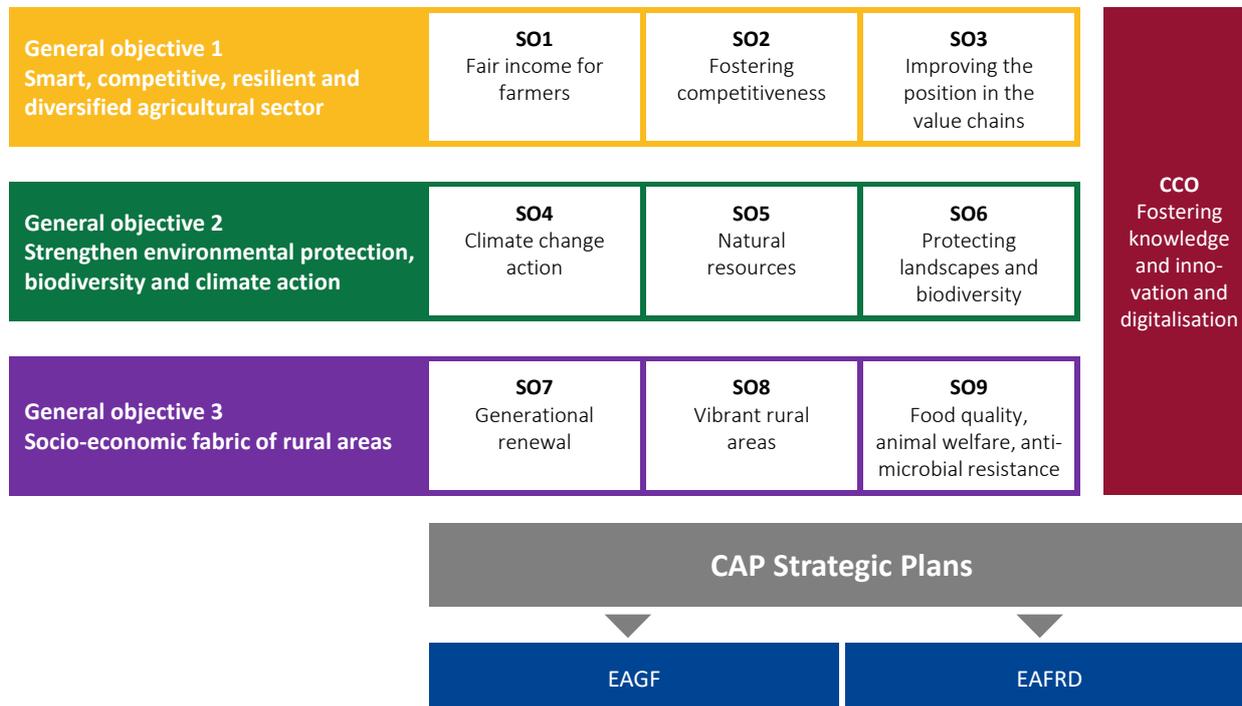
³ Lower levels are only possible when more than 35% of the EAFRD is allocated towards environment and climate measures (European Commission, 2022b)

⁴ These rules shall help ensure the implementation of the Directives 2019/1152, 89/391/EEC and 2009/104/EC respectively on transparent and predictable working conditions in the EU and the minimum health and safety requirements for the workplace and the minimum safety and health requirements for use of work equipment by workers.

3.2. Intervention categories, financial management and indicators

The interventions foreseen in the new CAP are organised along three main categories: direct payment interventions (EAGF); sectoral interventions (EAGF) and rural development interventions (EAFRD).

Figure 1: Intervention logic of the CAP 2023-2027



Source: Project team, 2023 based on Regulation (EU) 2021/2115

The new CAP is structured around ten specific objectives (or SO, see Figure 1), nine being organised around three general objectives underlining the overall EU goals of a more competitive, greener and fairer Europe, and one being a cross-cutting objective fostering knowledge and innovation. The Member States’ contributions to these ten objectives are described in their respective CAP Strategic Plans, providing a framework for the Member State’s interventions.

3.2.1. Overview of interventions

Direct payments

Direct payments are targeted at farmers, offering income support in the form of subsidies. Direct payments represent the majority of planned CAP expenditure. These include mandatory basic income support for sustainability (BISS, Article 21 of Regulation 2021/2115), redistributive income support (CRISS, Article 29) and eco-schemes (Article 31). Redistributive payments enable Member States to better support smaller farms⁵ by increasing the funding available for the first hectares below a defined threshold. As indicated above, eco-schemes are the new instrument of the plans to promote green agricultural practices by compensating income losses or incurred costs. It may also be constructed as an incentive for the uptake of more ambitious practices. For the remaining decoupled direct payment interventions, payments for small farmers (Article 28) and complementary income support for young farmers (Article 30), the choice of implementation is left to the Member States. For Member States choosing to implement the payments for small farmers as amounts per hectare, this intervention shall replace all other

⁵ Member States can establish maximum threshold in accordance with Article 29(3) of the Regulation (EU) 2021/2115.

forms of direct payment for the small farmers concerned. Complementary support provides additional direct support under specific conditions to farms, such as to improve generational renewal processes for young farmers.

Voluntary coupled income support (CIS, Article 32) regained importance in the 2023-2027 period compared to the previous period. It provides Member States the possibility to link direct payment support to agricultural production in specific sectors⁶, however, only under strict conditions in order to limit market distortion. Coupled support is non-mandatory for Member States, apart from the use of coupled-income support for cotton in selected Member States (BG, EL, ES, PT).

The receipt of direct payments is tied to compliance with the conditionalities (Article 12): all farm holdings applying for direct payments need to comply with statutory management requirements (SMR)⁷ and nine GAEC standards. The GAEC standards establish requirements on environmental aspects targeting climate change adaptation or mitigation, water and soil quality, biodiversity, and landscape.

Rural development intervention

Under the CAP 2023-2027, eight types of interventions are dedicated to rural development. This represents, at first sight, a significant simplification in comparison to the preceding 2014-2020 period which encompassed 20 measures including technical assistance. The nine interventions are detailed in Article 69 of the Regulation (EU) 2021/2115 and subsequently further described. However, it is important to consider that the nine intervention types of the 2023-2027 period cover a wide range of measures with financial support, with LEADER, support to the European Innovation Partnership (EIP) operational groups, and smart strategies being grouped under the intervention "cooperation".

- (1) Environment, climate-related and other management commitments (Article 70) aim at improving environmental sustainability of the farming sector. It provides support for any voluntary commitments (for at least five to seven years) going beyond minimum conditionality requirements, taking foregone farm income into account. It includes optional financial support for conversion and maintaining organic farming, usually area-based. In limited cases it may also be used to support animal welfare and genetic resources per livestock unit.
- (2) Natural or other area-specific constraints (Article 71) aims at compensating beneficiaries for all, or part, of the additional costs and income foregone related to disadvantages in production due to the natural or other area-specific constraints.
- (3) Payments for area-specific disadvantages resulting from certain mandatory requirements (Article 72). Thematically similar to Article 71, this intervention is targeted at farm and forest holders impacted by environmental directives (Birds and or the Habitats Directive, Water Framework Directive) in terms of foregone income.
- (4) Support under investments (Article 73) provides significant leeway to Member States in defining the types of investment that can be supported, while some are excluded from EU support. Attention is drawn on the delineation of eligible investments from other funds. Thematically similar to Article 73, investments in irrigation are supported via Article 74.

⁶ These are cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheep meat and goat meat, beef and veal, olive oil, silkworms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice

⁷ The SMRs encompass the main Union legislation on the environment, public health, plant health and animal welfare [...] and thus include obligations under the Habitats and Birds Directives, the Directives on water protection and water policy, and the Directive on the use of pesticides Source: (44) of the Preamble of the Regulation 2021/2115.

- (5) The intervention on the setting-up of young farmers and new farmers and rural business start-up (Article 75) provides targeted support to young farmers and support to agri-business development and to non-agri-business developments related for example to needs identified in community-led local development plans.
- (6) Article 76 is targeted at the promotion of risk management tools (e.g., income stabilisation tools, including financial premiums for insurance schemes or mutual funds) helping active farmers to manage their production and the income risks related to their activity.
- (7) Cooperation is supported under Article 77 and includes a wide array of thematically diverse, cooperation-centred interventions. It helps Member States to fund the preparation and implementation several programmes and initiatives such as EIP Agri, LEADER, smart villages strategies, producer groups, producer organisations, inter-branch groups, participation in quality schemes etc.
- (8) Knowledge exchange and dissemination of information (Article 78) support actions are diverse and include advisory services, education, as well as the preparation of plans and studies.

The receipt of rural development support under Articles 70, 71, 72 is also dependent on compliance with strengthened conditionality. The modes of support provided by the EAFRD, and the associated financial management, vary. Funding is disbursed via grants (e.g., reimbursement of eligible costs incurred by a beneficiary, unit costs, lump sums, or flat-rate financing). For articles 73 through 80, financial instruments may also be used.

A single EAFRD contribution rate is established at regional or national level in the CSP (Article 91). However, there are exceptions leaving some flexibility depending on the type of instrument, territorial characteristics of the region, and whether there are transfers between direct payments to rural development funding.

The contribution rate varies depending on the territorial characteristics of the region⁸: 85% for support in less developed regions⁹, 80% for support in outermost and smaller Aegean Island regions, 60% for support in transition regions¹⁰, and 43% in all other regions. The contribution rate may vary between 65% and 80% for specific instruments (see Table A.6) and may reach 100% if the expenditure was transferred from the direct payments. At the very least, EAFRD support must account for 20% of eligible public expenditure.

Sectoral interventions

The CAP sectoral interventions provide support targeted at specific agricultural sectors funded by the EAGF. As opposed to the previous period, they are no longer treated in a separate regulation (see Regulation (EU) No 1308/2013) and cover fruit and vegetables, wine, hops, olive oil and table olives, and apiculture products (Articles 42 to 66). Depending on the agricultural profiles of the Member States, the Regulation (EU) 2021/2115 provides the possibility or the requirement to implement these interventions.

- Interventions for the apiculture sector and the fruit and vegetable sector¹¹ must be included in all CSPs (Article 43(1-2) of Regulation (EU) 2021/2115).

⁸ These rates may be increased for some EAFRD interventions such as investments (Article 73(4); Article 74(7); Article 76(6); Article 77(8)(a);

⁹ As per Article 108 of the Regulation (EU) 2021/1060: "regions, whose GDP per capita is less than 75% of the average GDP per capita of the EU-27".

¹⁰ As per Article 108 of the Regulation (EU) 2021/1060: "regions, whose GDP per capita is between 75% and 100% of the average GDP per capita of the EU-27".

¹¹ Interventions for fruits and vegetables are only mandatory where producer organisation are in place)

- Support for hops, olive oil, and table olives is required across certain Member States (respectively in the articles 61(1) and 63 of the Regulation (EU) 2021/2115). However, other Member States can choose to allocate EAGF to these sectors as they are part of the “other sectors” mentioned by Article 42(f) of the Regulation (EU) 2021/2115.
- Support for the wine sector is possible for 16 Member States through the category “other sectors” (Article 43(3) and Annex VII).
- The category “other sectors” opens the possibility for Member States to further support sectors that were tackled in the previous period and are listed in Regulation (EU) No 1308/2013 at Article 1(2) (Regulation (EU)2021/2115 Article 42(f)). This support is relatively small in comparison and may not exceed 3% of direct payments and may not be targeted at tobacco and ethyl alcohol production.

The types of interventions proposed for sectoral interventions are strongly linked to the general objectives of the CAP 2023-2027. They range from investment support for tangible and intangible assets for research, product innovation and innovation in production methods, to promotion, communication and information actions, advisory services, technical assistance, training and coaching, and actions to mitigate or adapt to climate change. The specific actions may vary per type of sector supported. For example, support to the wine sector includes aid in promotion and communication, as well as on the restructuring of vineyards. In comparison, targeted support for the sectors of fruit and vegetables, hops and olive oil and table olives, include actions to increase the sustainability and efficiency of transport and of storage of products, as well as the implementation of traceability and certification systems.

A complete overview of the direct payments, rural development measures and sectoral interventions, related financial modalities and output indicators, is presented in the Annex (see A.2).

3.2.2. The Performance Monitoring and Evaluation Framework (PMEF)

The performance monitoring and evaluation framework (PMEF) outlines an important set of output, result and impact indicators tied to the interventions and specific objectives of the CAP. Included in the annexes of the Regulation (EU) 2021/2115, the PMEF indicators provide the basis for the reporting, monitoring and evaluation of the CSPs during their implementation. Both the output indicators and the result indicators are reported annually via the annual performance report.

- Output indicators are directly tied to interventions (see A.2) and describe their realised outputs in unit values. They are specified in the CSPs and are reported annually, per intervention and form of support (Annex, Regulation (EU) 2021/2290). They are used to verify the eligibility of expenditure as part of the Annual Performance Clearance.
- Result indicators are tied to the SOs and measure the contributions to achieving results along the specific objectives, using set milestones and targets. If the value of one result indicator reveals a shortfall of more than 35% (2024) or 25% (2026), Member states are required to submit a justification for this deviation and the EC may ask the Member State for remedial actions (Article 135, Regulation (EU)2021/2115).
- Impact indicators are tied to overarching CAP objectives and are monitored using established data sources such as the FADN and Eurostat.
- Context indicators (see A.3) are used to monitor general developments affecting the agricultural sector and rural development. They are not explicitly linked to the SOs or interventions of the CAP.

An overview of the intervention logic, tying together Sops, interventions, result and impact indicators can be retrieved in the Annex (see A.4). However, the link between interventions and specific SOs is not strictly defined, with most interventions generally able to contribute towards most SOs.

The implementation of the CSPs will be monitored by the Managing Authorities (MA) and the Monitoring Committees (MC) on the basis of the output and result indicators (annual performance reports). The Member States will also carry out evaluations during the programming period and ex-post (Article 140, Regulation (EU) 2021/2115). The European Commission will carry out biennial performance reviews, based on the annual performance reports (Article 135), as well as performance assessment and evaluation. The performance assessment and the evaluation of the CAP will be submitted by the European Commission to the European Parliament and the Council (Article 141)¹².

3.3. The CAP Strategic Plans approval process

The overall process underpinning the development and finalisation of the CSPs was characterised by structured dialogue between the Member States' Managing Authorities and the European Commission. At the European Commission, DG AGRI was the main actor in steering this process, supported by various other DGs on specific themes.

The European Commission presented its CAP reform proposal in 2018 (European Commission, 2022a). To structure the programming and approval process, the European Commission analysed the situation of different Member States along the PMEF context indicators, providing Member State specific recommendations in key strategic issues. Recommendations were tied to the CAP specific objectives, as well as targets of the Green Deal, Farm to Fork Strategy and the Biodiversity Strategy for 2030.

Exchanges with the Member States continued throughout the preparatory process with dedicated contact persons at DG AGRI and the geographical units. These were supported by the horizontal units with a set of tools to promote the negotiation process, introducing a uniform structure.

The CSPs of the Member States underwent significant participatory and evaluation processes before submission to the European Commission. At Member State level, this included the application of the partnership principle, involving rural development, environmental and agricultural stakeholders into the programming process. Further, the CSPs were assessed via ex-ante evaluations and strategic environmental assessments by external experts.

Despite some delays in the submission process, all Member States submitted the draft CSPs by 17 March 2022 (European Commission, 2022b). After submission, the Commission assessed the draft plans, particularly in relation to regulatory conformity (especially Regulation (EU) 2021/2115 and 2021/2116), completeness, consistency, and coherence. In the following step, the European Commission provided observations to the Member States within three months of the submission of the CSP via observation letters. Member States were then required to provide all necessary information to the Commission and revise the proposed CSPs where appropriate (Article 118).

The observation letters were sent by the European Commission between 31 March and 25 May 2022 to the Member States. The letters outlined elements of the CSP requiring further explanation, comple-

¹² Overview of the submission dates to the European Parliament and the Council according to the Regulation (EU) 2021/23115:

By 31 December 2023: summary report of Member States' CAP Strategic Plans;

By 31 December 2025: a report assessing the operation of the new delivery model by the Member States;

By 31 December 2026: interim evaluation of the EAGF and the EAFRD;

By 31 December 2027: interim evaluation of the CSPs and first results on the performance of the CAP;

By 31 December 2031: report assessment of the performance of the CAP.

tion, or adjustments before approval. Member States were required to address each comment, outlining whether changes were made within the plans, how these issues were addressed, and provide additional clarification and justification if no follow-up was deemed necessary.

The approval phase of each CSP was limited to six months from the date of its submission. A CSP could be approved even with missing elements if the Member State submits the missing elements within three months from the date of the approval of the respective CSP (Article 118). In practice, this was not the case and all CSPs were approved as complete with no Member State requesting this derogation.

Amendments and further changes

Member States can submit a request for amendment of the CSP to the Commission once per year. Throughout the 2023-2027 programming period, three further requests for amendments can be submitted by the Member States. Amendments are pre-consulted with the European Commission before official requests are made. In principle, the amendment procedure follows the structure of the approval procedure of the CSP with reduced timeframes. The European Commission may send an observation letter within 30 working days from the submission of the request for amendment by the Member States. Approval of the changes should occur within three months of submission of the request (Article 119 of the Regulation (EU) 2021/2115).

4. PRIORITIES AND INTERVENTIONS OF THE CAP STRATEGIC PLANS

KEY FINDINGS

- Member States have used the various options available to adapt their CAP allocation to meet local, regional and national needs, such as transfers between pillars, co-financing rates or capping and degressivity. 11 CSPs foresee a transfer from the direct payments to rural development interventions while 6 plan to transfer from rural development to direct payments.
- Direct payments remain dominant. The main changes are: (1) the significant rise of the redistributive income support due to legal requirements, (2) the increase in the share of coupled income support and (3) the introduction of new voluntary eco-schemes with a wide variety of scopes and approaches. Only 11 countries apply capping and/or degressivity whereas up to 2022, the reduction of basic payments (5% for the part exceeding EUR 150,000) was implemented as a mandatory instrument by 22 Member states (derogation was possible).
- The planned allocation also shows the diversity of approaches at the level of rural development funding. Agriculture, including agri-environment and climate remain dominant. The national co-financing is very uneven (between 12% up to 80%). Environment and climate interventions, risk management tools and LEADER have been strengthened. At the level of young farmers, there is an overall shift from rural development funding to direct payment support. Rural development beyond the farming sector is more and more supported through LEADER.
- Member States have used the options and flexibility available to them to adapt their approach to their national needs and preferences, as shown by the great variety and heterogeneity of the approaches adopted by the Member States under the three overarching objectives of the new programming period – an economically sustainable, greener, and fairer and socially sustainable CAP.

4.1. Overview of financial data

4.1.1. Distribution of CAP planned funding

Under SPR, EU resources for the 2023-2027 CSPs from the EAGF and the EAFRD account for about EUR 260.9 billion (75.4% for EAGF and 24.6% for EAFRD, Becker et al., 2022). Member States had various options to adapt the allocation under the Regulation (EU) 2021/2115 to their implementation preferences, including transfers between direct payments and rural development funding (section 3.1.2,) co-financing rates (section 3.1.3) or degressivity and capping (section 3.2.2). Ultimately, the 28 CSPs planned a total budget of around EUR 304 billion in terms of total public expenditure, including EUR 43 billion (14.2%) of national co-financing under rural development and sectoral support, after transfers and without technical assistance¹³ (see Table 1).

¹³ With technical assistance (TA), the total planned budget amounts to EUR 303 billion

Table 1: EU and total public funding planned in the CAP Strategic Plans 2023-2027 by Pillar
(in million EUR excluding technical assistance and crop specific payment for cotton)

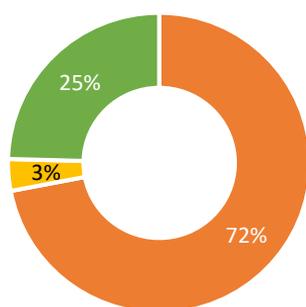
	EU Planned		National Planned	Total planned		Co-financing
	EUR Million	%		EUR Million	%	
Direct payment	187,877.0	72.0%	-	187,877.0	61.8%	-
Sectoral support	8,915.3	3.4%	324.4	9,239.7	3.0%	96.5%
Rural Development	64,134.1	24.6%	43,003.2	107,137.3	35.7%	59.9%
Total (excl. TA)	260,926.4	100.0%	43,327.6	304,254.0	100.0%	85.8%

Source: Project team, based on based on DG AGRI SFC data (January and April 2023)

With national co-funding, rural development funding represents 36% of total public expenditures. Meanwhile direct payments are not subject to national co-financing contrary to sectoral interventions. For sectoral payments, the planned national contributions in the CSPs amount to EUR 324 million (excluding fruits and vegetables schemes), bringing the EU contribution rate to 96.5% of planned total public support (see Table 1 and Figure 2).

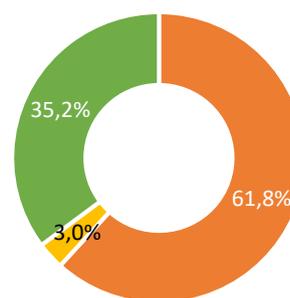
Figure 2: Distribution of the planned budget under the CAP Strategic Plans (excluding technical assistance and crop specific payment for cotton), **2023-2027**

In % of EU funding (EAGF, EAFRD)



■ Direct payment ■ Sectoral support
■ Rural Development

in % of total public funding

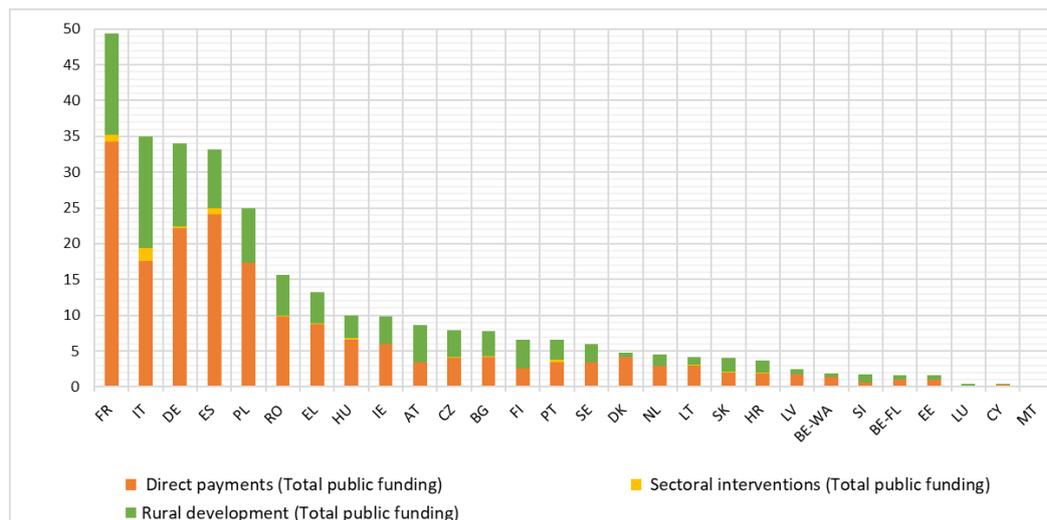


■ Direct payment ■ Sectoral support
■ Rural Development

Source: Project team, based on DG AGRI SFC data (January 2023)

In comparison, the distribution of the CAP 2014-2020 expenditure in terms of EU funding (*expenditure starting actually in 2015*) was similar in proportions, with a dominance of Pillar I, accounting for 77%, and rural development representing 23%. However, planned EU spending on sectoral support in 2023-2027 at 3.4% represents a smaller share than market measures in 2014-2020 at 5%.

Figure 3: Planned total public funding in the CAP Strategic Plans 2023-2027 (in EUR billion)

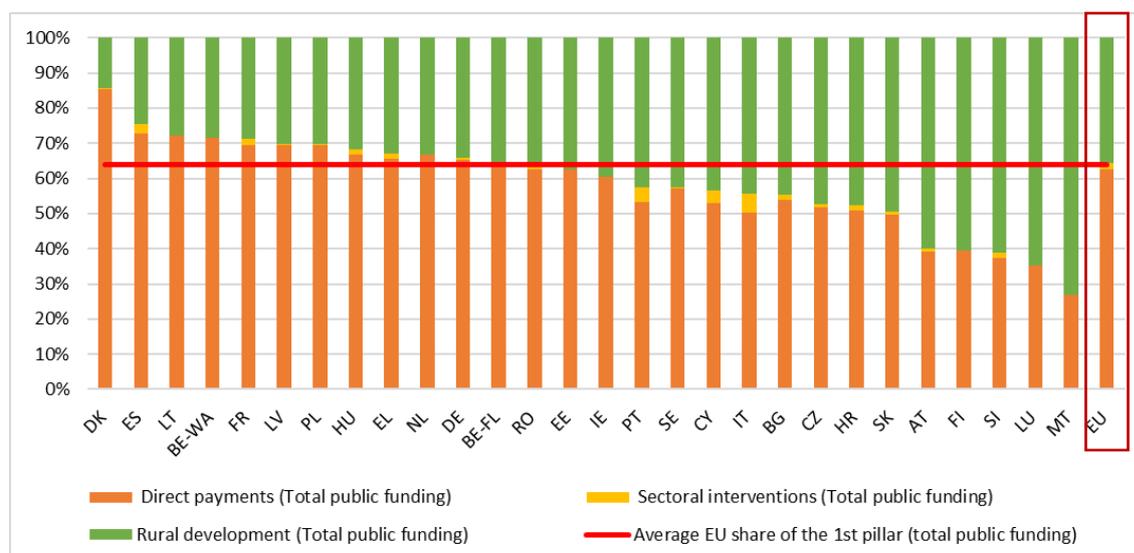


Source: Project team 2023, based on DG AGRI extract from SFC database (January 2023), excluding technical assistance and crop specific payment for cotton

Figure 3 shows the distribution of the 2023-2027 CAP Strategic Plan budget by Member State. FR, IT, ES, DE and PL are the Member States with the largest budgets (with almost EUR 50 billion for FR) while less than EUR 1 billion is allocated in LU, CY and MT.

Figure 4 demonstrates the relative distribution of CAP funding per CSP¹⁴. Notably, the share of direct payments in total public expenditure is above 70% for DK, ES, LT and BE-WA, while it is less than 40% for AT, FI, SI, LU, MT. In comparison, the EU average is 64%. These differences are the result of the initial allocation of budgets, but also the Member States options in terms of transfers between direct payments and rural development interventions (section 3.1.2) and national co-financing (section 3.1.3).

Figure 4: Distribution of CAP funding (total planned public expenditure) per CSP 2023-2027



Source: Project team 2023, based on DG AGRI extract from SFC database (January 2023), excluding technical assistance and crop specific payment for cotton

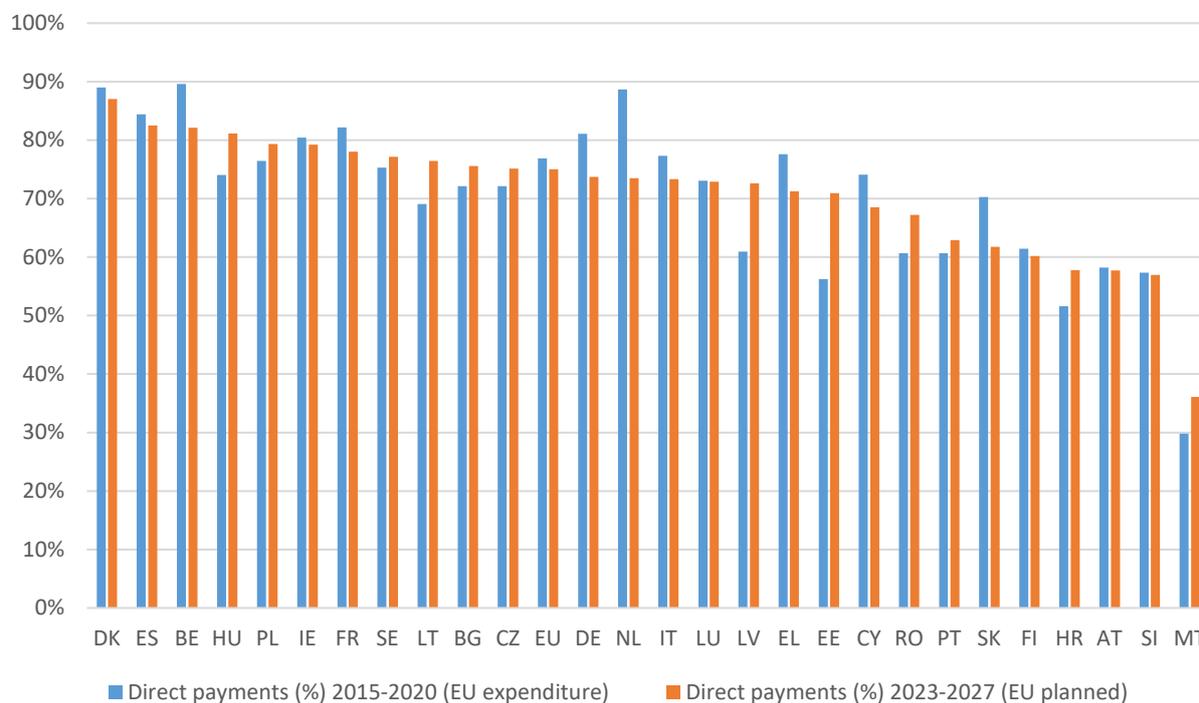
¹⁴ The comparative assessment using EU-funding only can be retrieved in the Annex (A.5)

4.1.2. Transfers between direct payments and rural development interventions

Transfer of funds between the direct payments to rural development interventions is a **major element of flexibility** reviewed by the new CAP which allows the transfer of up to 25% of allocated funds from direct payments to rural development interventions, and vice versa. Additional 15 percentage points can be transferred to rural development interventions if they benefit the environmental objectives of the CAP and additional two percentage points if used for the installation of YF (Article 103(2), Regulation (EU) 2021/2115). Member States may also transfer financing from capping and degressivity (reduction) to finance interventions under the EAFRD (Article 17(5)). Equally, Member States whose direct payments per hectare are below 90% of the EU average¹⁵ may reallocate up to 30% of EAFRD funds to direct payments (Article 103). Currently, **11 Member States** apply transfers.

Transfers to rural development interventions concern eleven Member States (total flexibility %), namely: BE-FL (11%), CZ (3%), DE (12%), DK (6%), EL (10%), FR (8%), IT (3%), LV (5%), **NL (21%)**, RO (3%). SK is the only Member State to have used the option of transfers resulting from capping (Article 17(5)). Member States have mostly transferred far below the 25% maximum, and none made use of the options of Article 103(2) to go beyond this threshold. Overall transfers concern around 4% of the initial direct payment allocation.

Figure 5: Comparison of share of 2015-2020 Pillar I expenditure and 2023-2027 direct payments planned funding in CAP funding (ranked in decreasing order)



Source: Project team 2023, based on DG AGRI extract from SFC2021 database (January 2023), excluding technical assistance and crop specific payment for cotton and 2015-2020 expenditure via Agri-Food Portal (European Commission, 2023b).

Transfers from the rural development to direct payments interventions concern six Member States, namely HR (2%), **HU (23%)**, LU (1%), MT (21%), **PL (29%)** and PT (16%). Overall transfers amount

¹⁵ This is the case for eleven Member States namely BG, EE, ES, FI, LT, LV, PL, PT, RO, SE and SK.

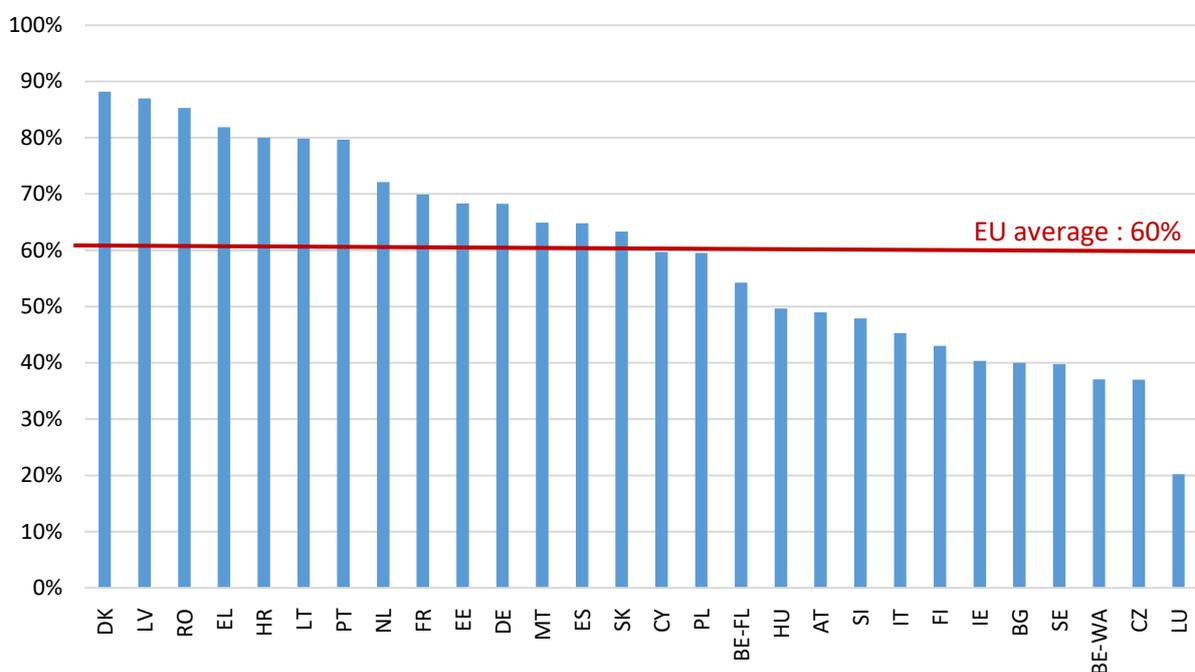
to a movement of around 4.7% of funding from rural development to direct payments. All in all, transfers resulted in a **9% increase of the initial EU budget allocated to rural development of the CAP.**

Figure 5 compares the share of EU funding under direct payments covering the realised expenditure for 2015-2020 and the planned expenditure for 2023-2027. The share EU funding under direct payments increased by more than five percentage points in seven countries (HR, MT, RO, HU, LT, LV, EE). On the other hand, it decreased by more than five percentage points in six countries (NL, SK, BE, DE, EL, CY). Overall, the reallocation direction mirrors the last funding period, with the exception of IT and PT (Becker et al., 2022).

4.1.3. Share of EU financing

The average contribution rate of EU financing to rural development interventions is 60% (i.e. 40% of national co-financing), **with significant variations according to the type of interventions and across Member States.** The average EU contribution rate is 80% or more for seven CSPs (DK, LV, RO, EL, HR, LT, PT) while it is between 20% (LU) and 40% (CZ, BE-Wal, SE, BG, IE) for 6 CSPs. The average co-financing rate by measure is between 55% (78 – Knowledge) and 68% (75 – Installation).

Figure 6: Share of EAFRD in total public funding



Source: Project team, based on DG AGRI extract from SFC2021 database (January 2023), excluding technical assistance

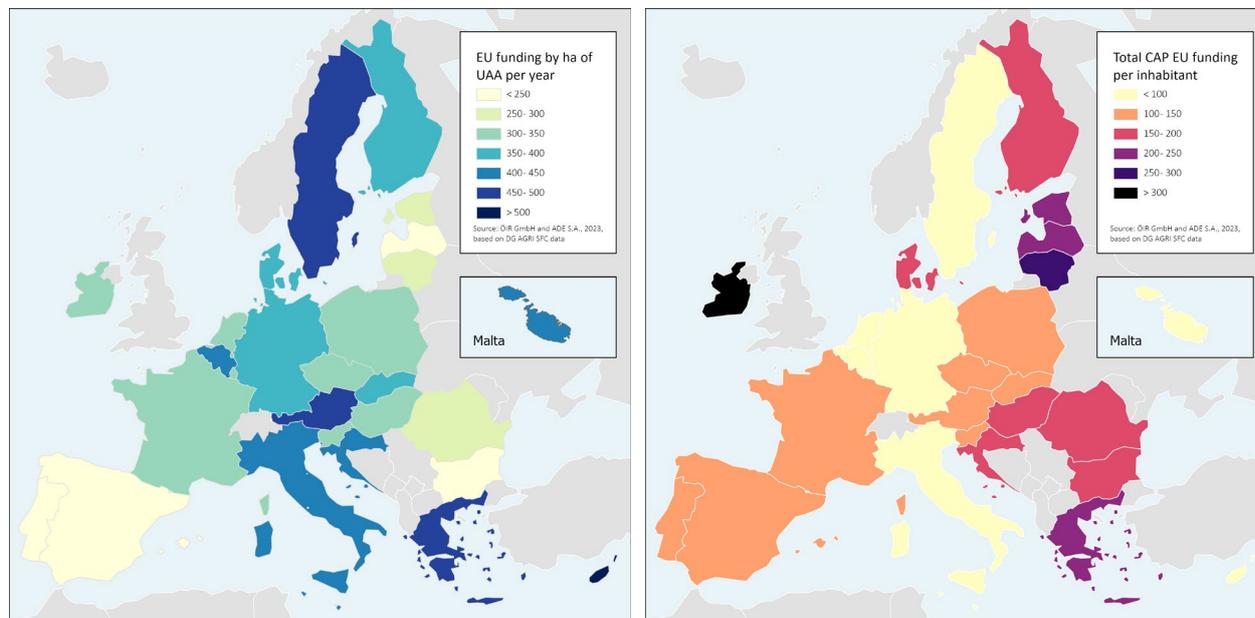
4.1.4. EU funding intensities

The following two maps provide a complementary perspective by relating EU funding to the area and population of each Member State. The first map shows the intensity of EU funding in relation to area, which averages EUR 352 per year and per hectare of utilised agricultural area (UAA) over the whole period 2023-2027 (or EUR 352 annually). The highest EU funding intensity can be found in MT, CY, SI, BE-WA, and EL and the lowest in LT, ES, LV, BG and RO.

The second map, based on the population of each Member States, shows a different distribution of EU intensity. The average value is EUR 697 in funding per inhabitant for the entire 2023-2027 programming period (or EUR 139 annually). Densely populated countries such as DE, LU, BE, NL or MT have the lowest

funding intensity (less than EUR 400 per inhabitant or EUR 80 annually). On the other hand, with EUR 1,000 per inhabitant (or EUR 200 annually), IE has the highest intensity followed by LT, LV, EL and EE.

Figure 7: Annual CAP EU funding intensities per hectare (UAA) **Figure 8: Annual CAP EU funding intensity per capita**



Source: Project team 2023, based on DG AGRI extract from SFC2021 database (January 2023) and Eurostat

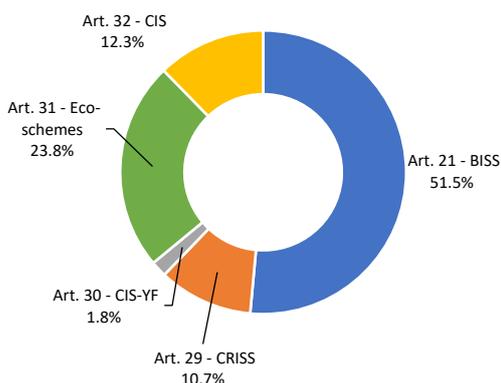
4.2. Overview of direct payments interventions

Direct payments include **decoupled direct payments** (see section 3.2.3) covering the mandatory **basic income support for sustainability** and payments for small farms (BISS) to support famers' income, the **complementary redistributive income support for sustainability** (CRISS) to support smaller and medium-sized farms, the **complementary income support for young farmers** (CIS-YF) to support corresponding **producers**, and the new **eco-schemes**. The **coupled direct payments** (CIS) also form part of direct payments (section 3.2.4). The planned distribution of direct payments is shown in Figure 9 and Figure 10 at CSP level.

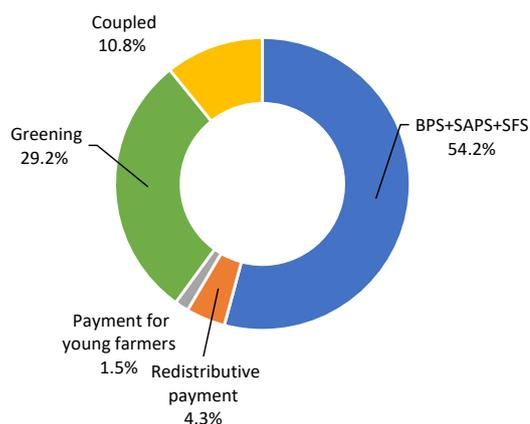
BISS represents the largest share of funding (51.5%). When compared to direct payments (BPS, SAPS & SFS) in 2019, it has slightly decreased (from 54.2% to 51.5%). Redistributive support has gained importance compared to 2019 (from 4.3% to 10.7% in 2023-2027), mostly due to new Regulation (EU) 2021/2115 requirements (see (c)). Complementary income support for young farmers has also slightly increased in importance (from 1.5% to 1.8%). Eco-schemes are the main innovation and account for 23.8% of direct payments. Finally, the share of coupled payments has increased slightly from 10.8% in 2019 to 12.3% for 2023-2027.

Figure 9: Share of planned distribution of direct payments (EAGF) in approved CAP plans in 2023-2027 compared to 2019

Direct payment planned 2023-2027 – EU-27

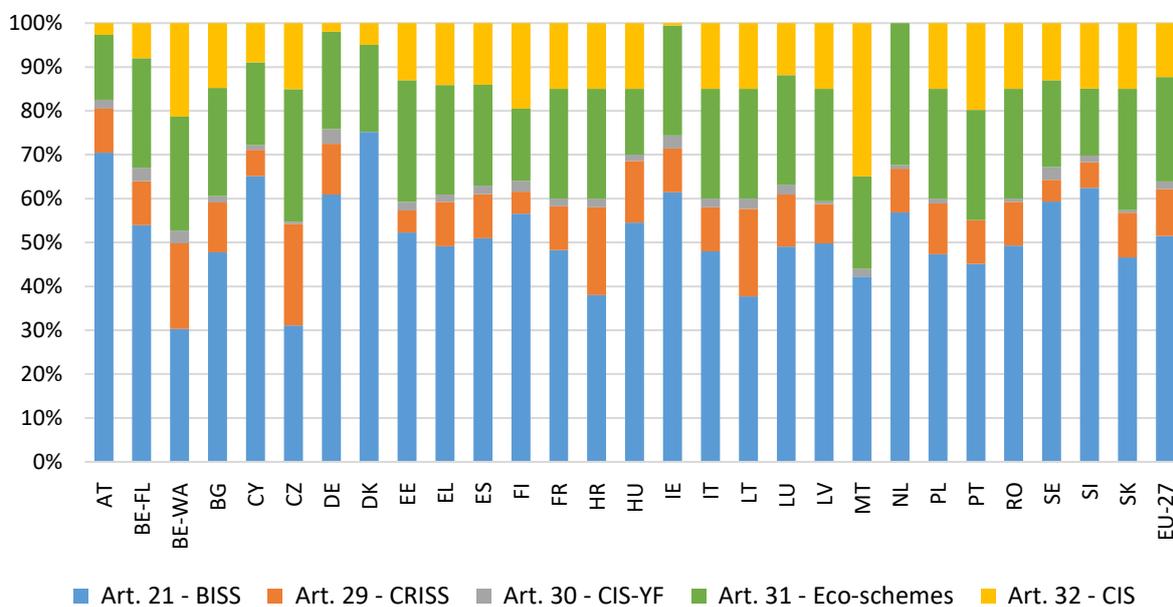


Direct payment expenditure in 2019 – EU-27



Source: Project team, based on DG AGRI extract from SFC database (January 2023), excluding technical assistance and crop specific payment for cotton

Figure 10: Distribution of the direct payments by Member States in approved CSPs



Source: Project team, based on DG AGRI extract from SFC2021 database (January 2023), excluding technical assistance and crop specific payment for cotton

4.2.1. Minimum requirements to benefit from CAP direct payment interventions (Article 18)

Member States define minimum requirements in their CSP to determine which farmers are eligible for direct payments. These include a minimum area under which no direct payments shall be granted to active farmers¹⁶; Member States may also apply a financial threshold (Article 18, Regulation (EU) 2021/2115), or both. The minimum area varies between 0.3 and 4 hectares depending on the country, and the financial threshold varies between EUR 100 and 500 (European Commission, 2022b).

¹⁶ The definition of an active farmer allow more flexibility in implementation in the Regulation (EU) 2021/2115. The main criteria used by Member States is the inclusion in official registers (European Commission, 2022b).

For the 2023-2027 period, 10 CSPs (BE-FL, BE-Wal, EL, ES, FI, FR, IE, IT, LU, NL) exclusively apply a financial threshold, two (AT and BG) apply the area threshold only, while the remaining apply both financial and area requirements (CY, CZ, DE, DK, EE, HR, HU, LT, LV, MT, PL, PT, RO, SE, SI, SK). Among the CSPs applying the minimum area requirement, SE applies a minimum area of 4 ha, DK 2 ha, and AT 1.5 ha, while the remaining apply a minimum area of 1 ha or less.

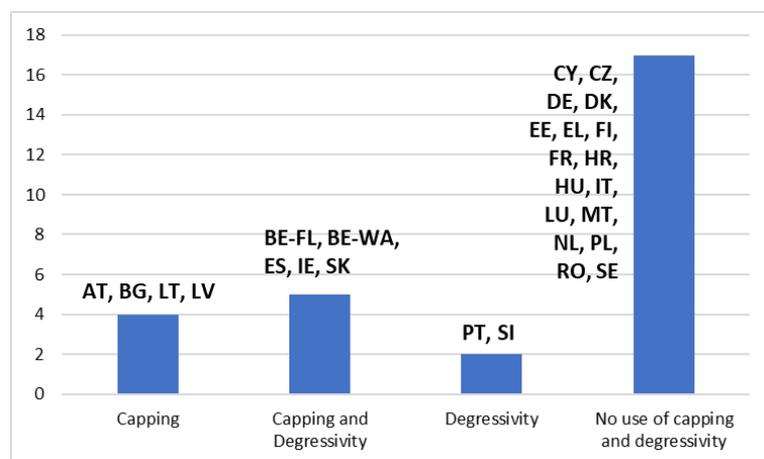
4.2.2. Capping and degressivity

Observations from the 2015-2020 funding period highlight a skewed distribution of direct payments, with only 15% of the direct payments going to more than 75% of European farms in the financial year 2021 (European Commission, 2021). Some of the instruments which can be used to respond to this skewed distribution, and therefore to a fairer CAP, are capping and degressivity, which can both be used on a voluntary basis.

In the 2023-2027 programming period, Member States may decide, according to the Regulation (EU) 2021/2115 article 17, to cap the total aid given to one farm. An upper limit at EUR 100,000 per year may be fixed on the amount of direct payments received. Member States may also apply degressivity and reduce the amount of the basic income support received by a single farm up to 85% or more, if the support exceeds EUR 60,000 per year (Article 17). The budget recovered by Member States is available for CRISS, other direct payment interventions, or to support rural development interventions.

Member States' application of these provisions is summarised in Table 2 and Figure 11 hereafter. In the 2023-2027 CAP, as shown in Figure 11 (and in A.5), **11 out of 28 CSPs use capping and/or degressivity**. Two CSPs apply degressivity only (PT, SI), four Member States apply capping only (AT, LT, LV, BG), and five CSPs apply both (BE-FL, BE-WA, ES, IE, SK). Of this group of eleven Member States, seven (AT, BG, ES, LT, LV, PT, SK) make use of the possibility to subtract farm salary costs (labour costs) including unpaid (family) work of the basic aid amount before applying capping and degressivity. The amounts recovered are mostly used by Member States (eight CSPs) for CRISS but also for other interventions in the form of direct payments (LT) or to shift to rural development (SK) and hence to EAFRD (approved CSPs).

Figure 11: Number of CSPs using capping and/or degressivity



Source: Project team, based on approved CSPs

4.2.3. Decoupled direct payments

Decoupled direct payments group the following main aid schemes financed by the EAGF:

- **The Basic Income Support for Sustainability (BISS)**, which aims to support farmers' income (Article 21, Regulation (EU) 2021/2115);

- **Payments for small farmers** (Article 28);
- the **Complementary Redistributive Income Support for Sustainability (CRISS)**, which targets smaller and medium-sized farms (Article 29).
- the **Complementary Income Support for Young Farmers (CIS-YF)** (Article 30) which aims to contribute to the renewal of the new generations of young farmers;
- **The eco-schemes**, that reward climate – environmentally friendly farming practices and animal welfare (Article 31).

(a) The basic income support for sustainability (BISS, Articles 21-28)

Member States grant basic income support as a uniform amount per hectare **unless they grant support on the basis of payment entitlements**. Member States have the possibility to differentiate amounts among different groups of territories which may be subject to similar socio-economic and agronomic conditions. This amount can also be reduced if aid from other interventions is considered (Article 22, Regulation (EU) 2021/2115).

Basic income support is closely linked to the **convergence principle** included in BISS subsection (Article 24). The principle of convergence aims for a fairer distribution of direct income support between farmers.

The “internal convergence” mechanism aims to reduce historical differences within each Member State (such as differences between highly productive cereals and grasslands). On the other hand, external convergence aims to reduce the differences in income support per ha among Member States¹⁷. Convergence is gradual to ensure a smoother transition to a uniform value (Becker et al., 2022).

BISS accounts for 51.5% of planned direct payments, with large variations among Member States (from 30% in BE-WA, CZ to over 70% in AT, DK (see Figure 10)

(b) Payments for small farmers (Article 28)

In the 2023-2027 period, Member States may grant up to a EUR 1,250 lump sum payment to small farmers¹⁸. **Five Member States are implementing payments for small farmers**, with MT, LV, PT and BG applying lump sum payments and CZ a payment per hectare (European Commission, 2022b). The allocation of financial resources for payments to small farmers (DP) represents 0.3% to 9% of the direct payment envelope.

(c) Complementary redistributive income support for sustainability (CRISS – Article 29)

The implementation of the complementary redistributive income support for sustainability (CRISS) is mandatory and aims to ensure a redistribution of support from larger to smaller or medium-sized farms. According to Regulation (EU) 2021/2115, at least 10% of the direct payments’ envelope must be allocated to such support. However, a derogation to this rule can be requested if a Member State can demonstrate that redistribution needs are sufficiently addressed via other instruments and interventions financed via the EAGF. For the 2023-2027 period, CRISS is implemented in all Member States except in DK and MT. To account for differences in farm structures across the EU, and to better target the CRISS, Member States can provide complementary support for different ranges of hectares and differentiate the support by regions or by groups of territories (European Commission, 2022b). CRISS has

¹⁷ At EU level, the ‘external convergence’ mechanism allows for the progressive adjustment of income support per hectare in each country, either upwards or downwards, to bring it closer to the EU average. This means in the current system that for those EU countries where the average payment (in EUR per hectare): – is below 90% of the average: the average payment is gradually increased (by 1/3 of the difference between their current level and 90% of the average)- is above the average: the amounts are adjusted downward.

¹⁸ Small farmers must comply with conditionality but may be subject to simplified control (art.83.2 R2021/2116)

gained in importance due to its binding nature and represents a share of 10.7% of planned direct payments for the 2023-2027 period, compared to a share of 4.1% of total direct payments in the previous period.

Among those applying CRISS, 21 CSPs comply to the minimum 10% for the redistributive payment, with five CSPs dedicating more than 12% of the direct payment allocation to CRISS (19,5% for BE-WA; 23.1% for CZ; 20% for HR and LT; 14% for HU)¹⁹. The six remaining CSPs (CY, EE, FI, LV, SE, SI) implement CRISS with an allocation of less than the minimum 10% share to direct payments (see A.5).

Furthermore, the ranges in terms of number of hectares eligible for this payment vary substantially across Member States, reflecting differences in farm structures and income support needs. Nine Member States foresee two or more ranges of hectares with two different unit amounts at national level or within groups of territories (AT, DE, EE, ES, HU, LT, LU, LV, SK) and three Member States differentiate unit amounts by groups of territories (ES, EL, AT) (European Commission, 2022b).

(d) Complementary redistributive income support for young farmers (CIS-YF, Article 30)

Generational renewal in agriculture is a high priority under the new CAP. Article 95 of Regulation (EU) 2021/2115 states that a fixed minimum amount set in Annex XII must be spent on support for young farmers (around 3% of the initial direct payment budget of each Member State), either for complementary income support under the direct payments (Article 30) and/or as support under rural development through setting-up aid (Article 75) or specific investment support (Article 74)²⁰.

Regarding rural development interventions, Member States may provide a complementary income support for young farmers who are newly set up and who are entitled to a payment under basic income support. This voluntary support shall be granted for a maximum duration of five years. The CIS-YF shall be applied either through an annual decoupled payment per eligible hectare, or through a lump sum payment per young farmer. Member States may decide to only grant the support to a maximum number of hectares per young farmer.

For the 2023-2027 period, the complementary income support for young farmers amounts to 1.8% of direct payments, which represents a small increase in comparison to the 1.5% allocation in 2019. In almost all cases, Member States envisage combining support under direct payments and rural development. All CSPs except DK and PT include support through the complementary income support for young farmers (European Commission, 2022b).

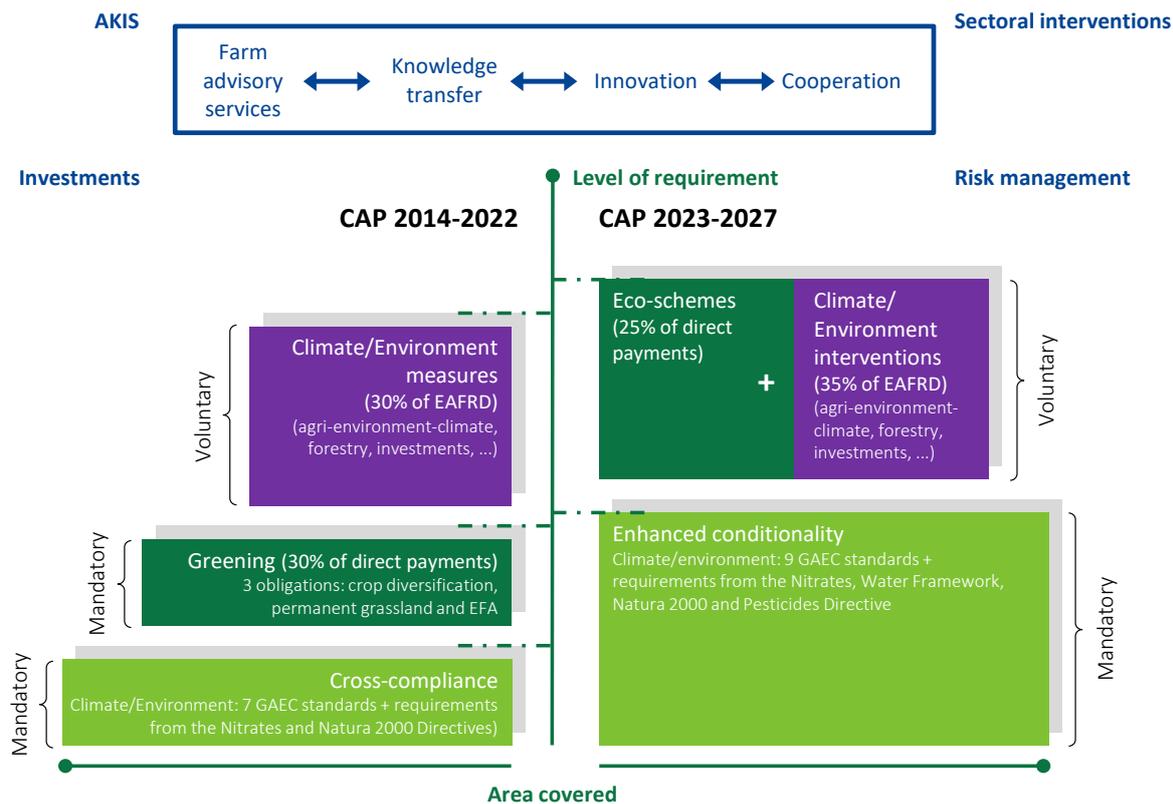
(e) Eco-schemes (Article 31)

Eco-schemes are the main novelty in the CAP 2023-2027 compared to the previous period. They **provide support for active farmers who apply agricultural practices beneficial for the climate, the environment and animal welfare** (Article 31). They support new or existing practices, in the latter case usually on larger areas compared to 2014-2020. In the green architecture of the CAP, eco-schemes have to go beyond conditionality. They can be programmed next to AECC (in this case targeting other objectives or other groups of farmers) or on top of the eco-schemes, thus setting more demanding requirements (Figure 12 and Figure 13).

¹⁹ Based on approved CSPs, financial tables

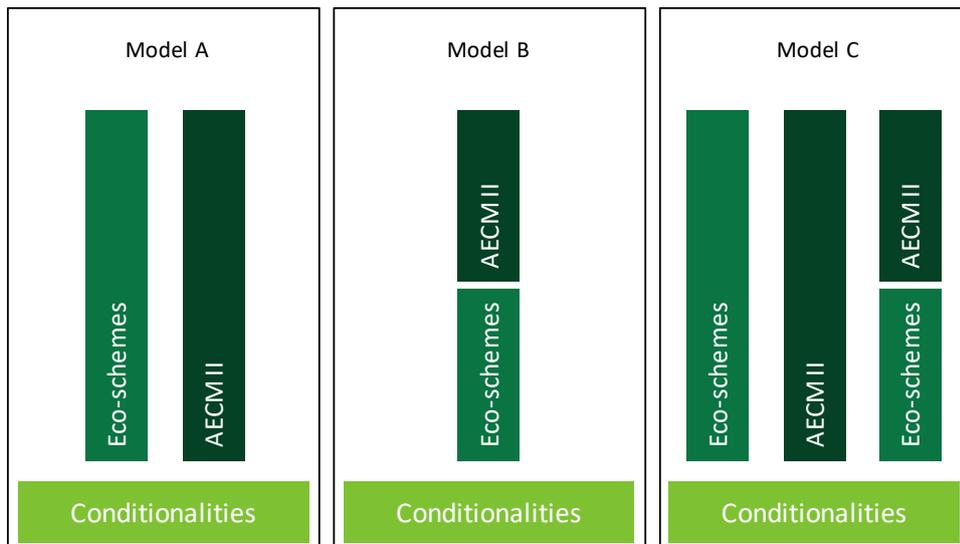
²⁰ More details about rural development interventions in Table A.6

Figure 12: Schematic overview of the of the Common Agricultural Policy (CAP) pre- and post-2022 with the green architecture elements



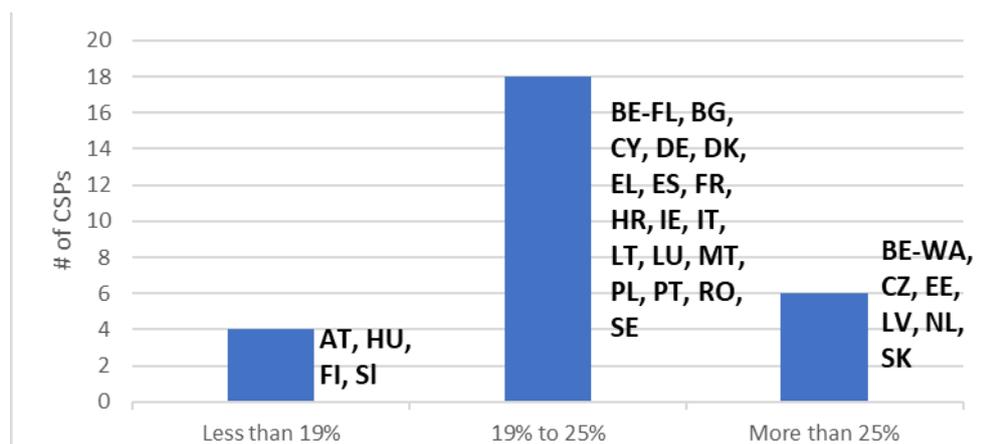
Source: Project team, 2023, based on European Commission (2023c)

Figure 13: Implementation models of eco-schemes



Source: Project team, 2023, based on Scientific Advisory Board on Agricultural Policy, Food and Consumer Health Protection at BMEL (2019): Designing an effective agri-environment-climate policy as part of the post 2020 EU Common Agricultural Policy, Berlin.

Figure 14: Share of direct payments allocated to eco-schemes per CSP



Source: Project team, based on DG AGRI SFC data (January 2023)

Unlike greening, which was compulsory, eco-schemes are voluntary for farmers (but mandatory for Member States). They should represent at least 25%²¹ of the direct payments.

Derogations to this basic rule of a minimum of 25% of direct payments for eco-schemes (Article 97.2, Regulation (EU) 2021/2115) are foreseen. If the funding allocated to environment, climate or animal welfare interventions exceeds 30% of the total EAFRD contributions (Articles 70,72,73,74).

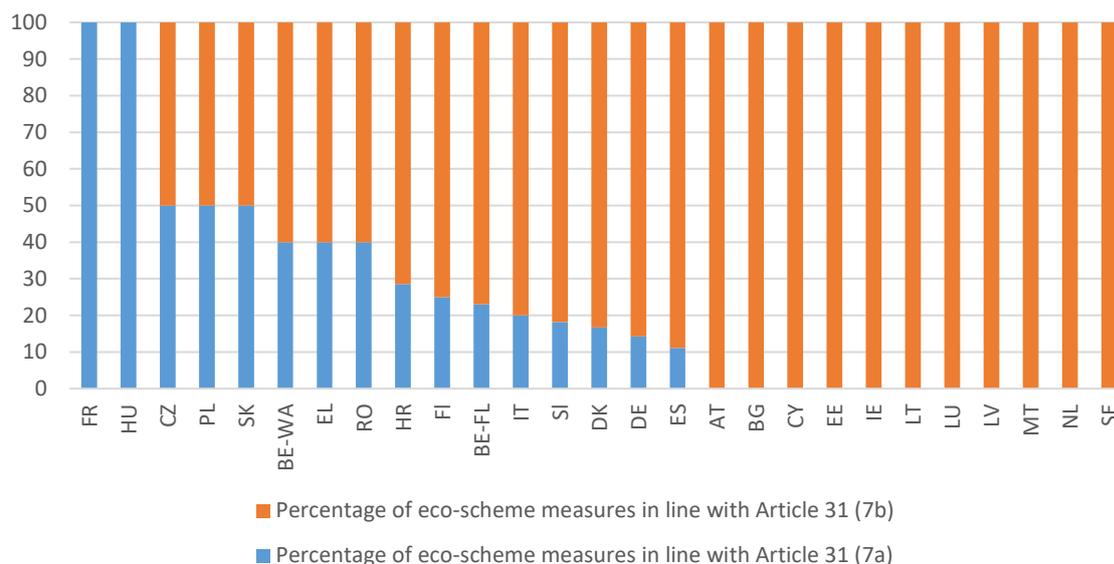
As shown in Figure 14, 18 Member States allocate levels lower than 25% to eco-schemes (BE-FL, BG, CY, DE, DK, EL, ES, FR, HR, IE, IT, LT, LU, MT, PL, PT, RO, SE). Four of these Member States (AT, FI, HU, SI) allocated around 15% of their direct payments to eco-schemes, but have respectively allocated more than 40% of their EAFRD to the environment and climate. On the other hand, six Member States allocated more than 25% (26% for BE-WA and LV, 28% for SK and EE, 30% for CZ and 32% for NL) to eco-schemes.

Eco-schemes may be supported under two different approaches (Article 31 §7 a and b), as shown in Figure 15, namely:

- payments additional to the basic income support (a);
- payments compensating active farmers or groups of active farmers for all or part of the additional costs incurred and income foregone as a result of the commitments made and taking into account the targets for eco-schemes; those payments may also cover transaction costs (b).

²¹ Greening accounted for about 29% in the previous period with much lower requirements.

Figure 15: Eco-scheme measures differentiated by type of payment in relation to the total of number of eco-scheme measures per CSP (in %)



Source: Project team 2023, based on the approved CSPs

As shown in Figure 15, only HU and FR exclusively apply the basic payment method (7a). All other Member States have chosen the compensatory method (7b), alone, or in combination with basic payments according to the individual eco-scheme measures.

Thematically, each CSP must cover at least two of the following areas of action by its eco-schemes: climate (mitigation or adaptation), water management, soil management, biodiversity, animal welfare and anti-microbial resistance.

Table 2: Allocation of the Member States to areas of action covered by CSPs eco-schemes

MS	Climate Change Mitigation	Climate Change Adaptation	Water	Soil	Biodiversity	Pesticides	Animal Welfare
AT	Yes	Yes	Yes	Yes	No	No	Yes
BE_FL	Yes	Yes	Yes	Yes	Yes	Yes	No
BE_WA	Yes	Yes	Yes	Yes	Yes	Yes	No
BG	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CY	Yes	No	Yes	Yes	No	Yes	No
CZ	Yes	Yes	Yes	Yes	Yes	Yes	No
DE	Yes	Yes	Yes	Yes	Yes	Yes	No
DK	Yes	Yes	Yes	Yes	Yes	Yes	No
EE	Yes	Yes	Yes	Yes	Yes	Yes	No
EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ES	Yes	No	Yes	Yes	Yes	No	No
FI	Yes	Yes	Yes	Yes	Yes	No	No
FR	Yes	Yes	Yes	Yes	Yes	Yes	No
HR	Yes	Yes	Yes	Yes	Yes	No	Yes
HU	Yes	No	No	Yes	Yes	Yes	No
IE	Yes	Yes	Yes	Yes	Yes	No	No
IT	Yes	Yes	No	Yes	Yes	Yes	Yes
LT	Yes	Yes	Yes	Yes	Yes	Yes	Yes

MS	Climate Change Mitigation	Climate Change Adaptation	Water	Soil	Biodiversity	Pesticides	Animal Welfare
LU	Yes	No	Yes	Yes	Yes	Yes	No
LV	Yes	Yes	Yes	Yes	Yes	Yes	No
MT	No	Yes	Yes	Yes	Yes	Yes	No
NL	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PL	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PT	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RO	Yes	Yes	Yes	Yes	Yes	No	Yes
SE	Yes	No	Yes	Yes	No	Yes	No
SK	Yes	Yes	No	Yes	Yes	No	Yes
SI	Yes	Yes	Yes	Yes	Yes	Yes	No
Total	91	47	76	99	84	56	12

Source: Project team, based on approved CSPs (2023)

- All Member States cover **soil management**²² (28 Member States) and almost all CSPs except CY, AT and SE cover **biodiversity**²³. Animal-welfare/anti-microbial resistance is tackled by 11 Member States. Looking at themes in more details, **climate change mitigation**²⁴ and **adaptation**²⁵ is addressed by most Member States. Only CY does not cover climate related eco-schemes. While some Member States covered either mitigation or adaptation. This is the case for CY, ES, HU, LU and SE who do not cover “climate adaptation” with eco-schemes, while MT does not cover climate mitigation.
- **Water management**²⁶ is covered by most CSPs. Only three-Member States (HU, IT, SK) do not cover water management.
- **Environmental** measures for the sustainable and reduced use of pesticides are covered via eco-schemes by 21 Member States. AT, ES, FI, HR, IE, RO and SK do not address this thematic area with eco-schemes.

The number of eco-scheme measures proposed per country varies (see A.5, Table A.13). The complexity and level of ambition of individual measures are quite heterogeneous. **Eco-schemes can be programmed next to AECM or operate as an intermediate instrument between conditionality and agri-environmental and climate measures (AECM)** (see Figure 12). They can for instance complement AECM on larger areas, especially in the case of simplified landscapes. Complementarity with eco-schemes can help enhance the uptake of more demanding measures aimed at improving habitat quality, i.e., multiple payments for different actions on the same parcels (Pe’er et al., 2022).

The programming of eco-schemes is complex because of their great thematic diversity and their strong interrelationship with conditionality and AECMs, hence requiring coherence and complementarity (Pe’er et al., 2022).

²² Prevention of soil degradation, soil restoration, improvement of soil fertility and management of nutrients and soil biota

²³ Protection of biodiversity, conservation or restoration of habitats or species, including the maintenance and creation of topographical features or non-productive areas

²⁴ Climate change mitigation, including reducing greenhouse gas emissions from agricultural practices, as well as preserving existing carbon pools and enhancing carbon sequestration

²⁵ Adaptation to climate change, including measures to improve the resilience of food production systems and animal and plant diversity to enhance resistance to disease and climate change

²⁶ Protection or improvement of water quality and reduction of pressure on water resources

Several eco-schemes can target the same area with different “areas of action” which are congruent with specific objectives. **Therefore, areas counted in the PMEF under output indicator O.8 cannot be cumulated and should be considered separately. Eco-schemes target different shares of the UAA per Member State. In fact, 50% of eco-scheme measures target a small share of UAA (less than 4% of national UAA).**

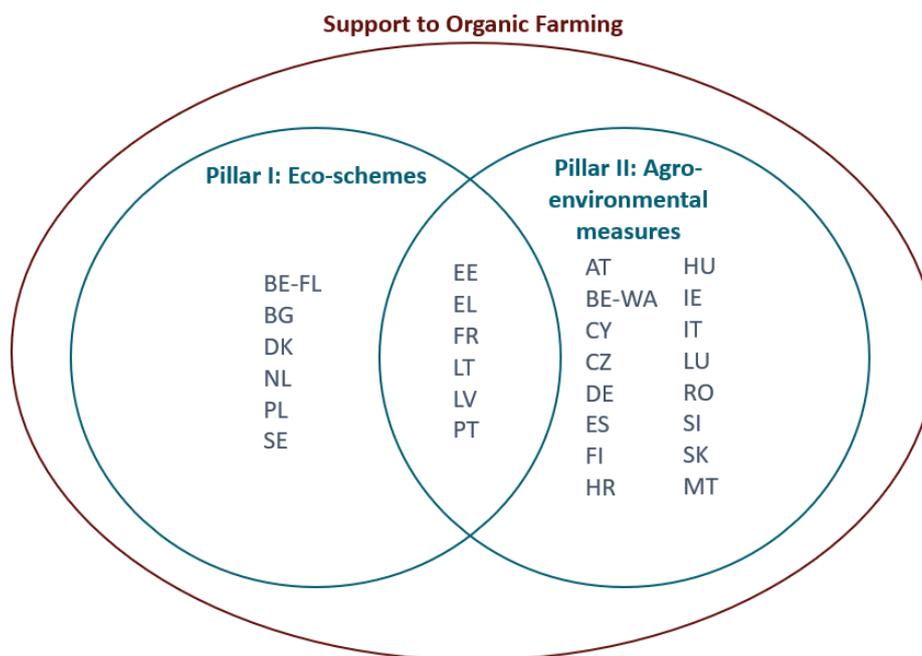
On the other hand, 25% of eco-scheme measures with the largest share of the national UAA target mainly:

- pastures extensification (12-38% of UAA) (AT, BE-WA, DE, ES, IT, PL, SI)
- crop rotation going beyond conditionality requirements (16-60% of UAA) (BG, DE, ES, HR)
- soil protection and management (13-87% of UAA) (BE-FL, BE-WA, BG, CY, FI, PL)
- organic farming.

The creative freedom given to Member States has led to a situation where similar measures are programmed as eco-scheme measures in some countries and as AECM in others. Organic farming, for example, can be supported under eco-schemes or as AECM, with the option of distinguishing between conversion to organic farming and maintenance.

As shown in Figure 16, 12 Member States (BE-FL, BG, DK, EE, EL, FR, LT, LV, NL, PL, PT, SE) support organic farming through their eco-schemes. Of these 12 Member States, seven also use AECM under rural development (EE, EL, FR, LT, LV, PT) to support conversion to organic farming. 15 Member States only support organic farming under rural development support (AT, BE-WA, CY, CZ, DE, ES, FI, HR, HU, IE, IT, LU, MT, RO, SI, SK).

Figure 16: Support to organic farming



Source: Project team, based on approved CSPs (2023)

Numerous interrelations occur between conditionality, eco-schemes and AECM. For example, the obligation of crop rotation in conditionality (GAEC 7) is supplemented by several eco-schemes on arable

land. To improve biodiversity, GAEC 8²⁷ requires devoting a minimum share of at least 4% of arable land of farms to non-productive areas and features but this can be reduced to 3% if combined with an eco-scheme, bringing it to 7% of non-productive areas in total. While conditionality is mandatory for farmers, participation in eco-schemes and AECM is voluntary. Eco-schemes and AECMs both support farming practices that are beneficial for the climate, the environment and animal welfare. Henceforth, similar measures can be offered as annual eco-schemes in some Member States or as multi-annual AECMs in others (Runge et al., 2021).

Eco-scheme design as well as the funding strategy differs considerably across Member States. In some Member States, individual eco-schemes can be composed of several measures to facilitate the up-take by farmers. **CSPs plan at least one eco-scheme and reach up to 16 per Member State.** There is a **total of 158 eco-schemes in place** (approved CSP) (see Annex A.9), **with an EU average of five eco-schemes per CSP.** Arable land is most targeted, followed by grasslands and permanent crops. **The number of measures of individual eco-schemes are more numerous and especially high in EL, LT and NL, the latter with 22 measures.** Indicatively there are more than 260 different measures (Table A.12).

Member States have had to avoid any **backsliding** compared to the environmental and climate achievements under the previous CAP programming period (Article 105, Regulation (EU) 2021/2115).

4.2.4. Coupled direct payments (CIS, Article 32-35)

Coupled direct payments are classified into two categories: coupled income support (CIS) and cotton-specific support (Article 16, Regulation (EU) 2021/2115). This section addresses coupled income support only.

Member States' interventions are designed to help sectors and production eligible for support, or specific types of farming within them, to remedy encountered difficulties by improving competitiveness, sustainability or quality. (Article 32). The supported sectors and production types fall under two categories: coupled income support for animal production (e.g., suckler cattle, dairy cattle) and coupled income support for crop production (e.g. fodder legumes, soya, protein crops, durum wheat, grass seed, starch potatoes, hops, processed fruit, hemp and rice) (Article 32). Coupled direct payments are capped at a maximum of **13% of total direct payments** (initial allocation) but can be increased by two percentage points for protein crops (Article 96).

Payments are granted according to different eligibility criteria mostly based on the number of animals (for coupled direct payments for animal production), on areas (for coupled direct payments for crop production), or according to the characteristics of the territory (for coupled DP for crop production).

Coupled income support for animal production accounts for 70% of the total amount of coupled income support, with BE-FL, DE, SE and AT using coupled direct payments for animal production only. In contrast, IE uses coupled direct payments for crop production only and the NL do not apply them at all. The remaining plans apply coupled income support for both animal and crop production.

The coupled income support is planned in all CSP, except NL. The share of coupled payments has increased slightly from 10.8% in 2019 to 12.3% for 2023-2027. In comparison to the previous period, some countries have reintroduced coupled income support (DE) or increased their share of coupled payments to total direct payments (LU, EE). Countries with a relatively lower share of coupled

²⁷ Under GAEC 8, the share of fallow arable land may be reduced to 3% if 4% of the farms arable land counts catch crops or nitrogen fixing crops.

income support in their CSPs compared to the previous period include CY (9%), DK (5%), AT (3%), DE (2%), IE (1%), BE-FL (8%), NL (0%).

4.2.5. Contribution to risk management tools (Article 19)

The Commission's proposal for the Regulation (EU) 2021/2115 included an obligation on Member States to support risk management. Both the European Parliament and the Council being against this measure, it is now optional. Member States can address risks related to agricultural production and income over which farmers have no control (Becker et al, 2022).

Risk management can be supported by the CAP. Under the direct payments, Article 19 of Regulation (EU) 2021/2115 stipulates that up to 3% of the direct payments to be granted to a farmer may be converted into a contribution to a risk management instrument. Only three Member States (BG, IT, RO) assigned funds from their direct payment envelopes to risk management (with 3% for IT and RO, and 1.5% in BG) (European Commission, 2022b).

Specific support for risk management is foreseen in terms of rural development interventions, in continuity with the previous CAP period. Member States can grant aid to different risk management tools: financial participation in insurance premia scheme, financial participation in mutual funds as well as aid in the form of autonomous working capital financing to compensate for losses for farmers who do not participate in a risk management tool (Article 76).

The use of these tools is very heterogeneous. Around half of the Member States (14 out of 27 Member States), have included risk management tools under the rural development Interventions in their CSP. Of these 14 countries, IT and FR provide the most funding for risk management (EUR 2,874 million or 19% and 948 million or 7% respectively of rural development funding). Furthermore, 70 to 90% of their farmers are covered by these tools. This is followed by BG allocating EUR 59.9 million or 30%. Other Member States cover around 10% (BE-FL, HU, PT, SK), or much less (European Commission, 2022b, 2023a).

Seven Member States have decided to only include financial participation in insurance scheme payments in their CSP, the other 7 promote a combination of risk management tools in their CSP (European Commission, 2022b).

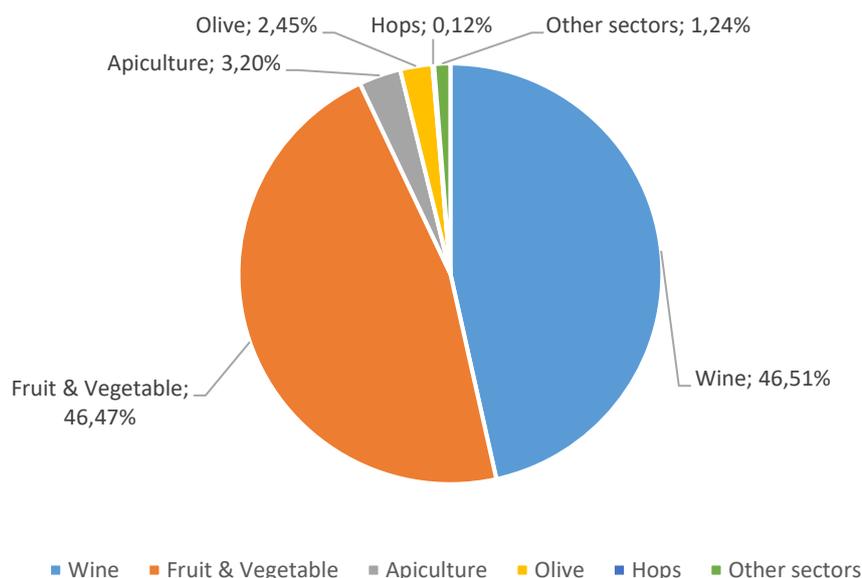
4.3. Sectoral interventions

Sectoral support interventions represent a share of 4.5% of total EAGF planned expenditures within the CAP. They may take the form of reimbursement of eligible costs; unit costs; lump sums; or flat-rate financing. (Title III, Chapter 3, Regulation (EU) 2021/2115).

The following figure shows the distribution for sectoral interventions per sector. Wine (46.5%) and fruits and vegetables (46.5%) represent the highest shares of funding for sectoral intervention. Apiculture (3.2%), olives (2.45%), hops (0.12%) and others²⁸ (1.24%) representing significantly smaller shares (European Commission, 2023a).

²⁸ Other sectors include dairy products, pork, cereals, beef, sheep and goat meat, ornamental plants and potatoes (Becker et al. 2022).

Figure 17: Share planned public funding for sectoral interventions by sector

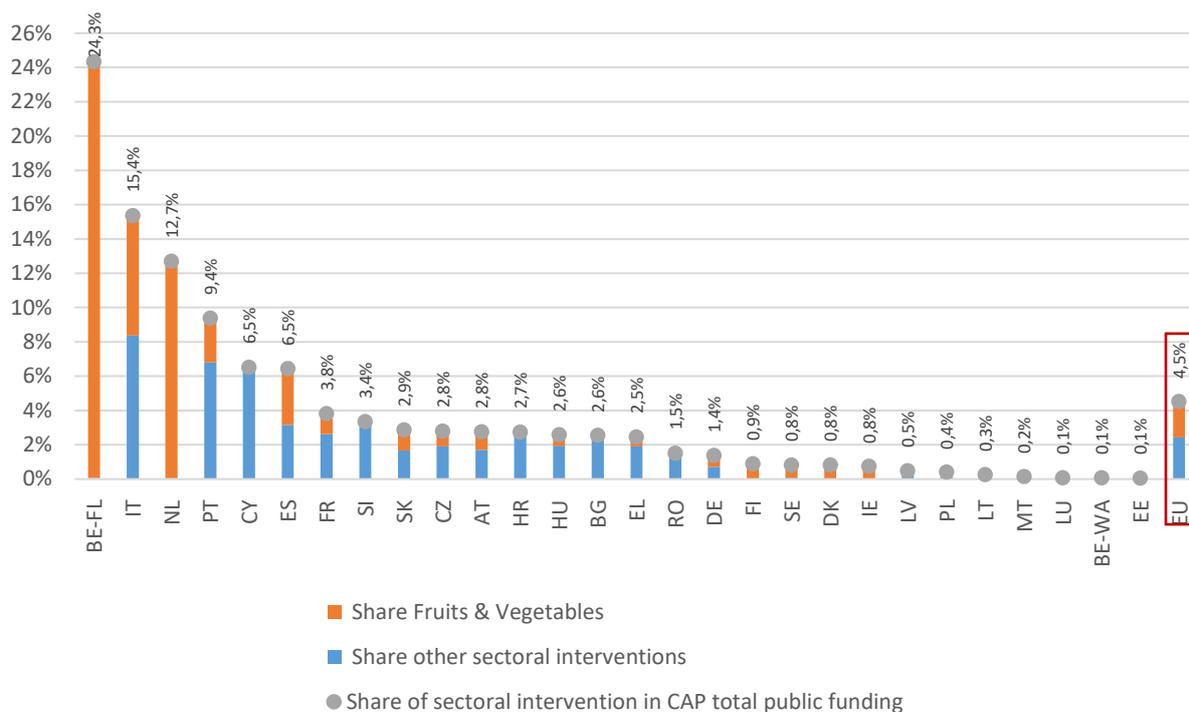


Source: Project team, based on DG AGRI extract from SFC database (January 2023),

The weight of sectoral interventions strongly varies across Member States and notably depends on the natural conditions to which Member States are subject and on the presence of eligible crops (Figure 18). BE-FL (24.3%), IT (15.4%), NL (12.7%), and PT (9.4%) are the Member States which present the highest share of sectoral interventions. Meanwhile, FI, SE, DK, IE, LV, PL, LT, MT, LU, BE-WA, EE dedicate less than 1% of EAGF to sectoral interventions.

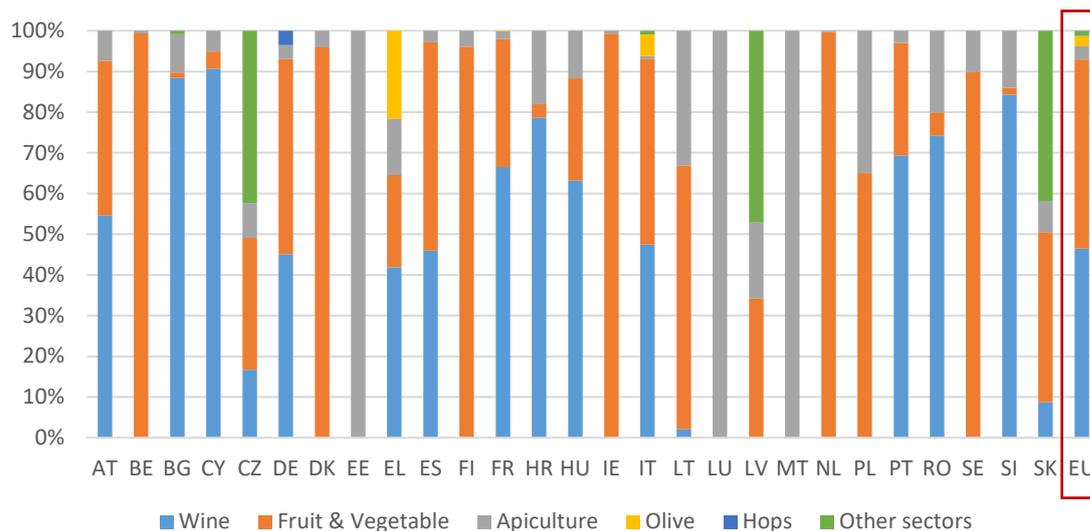
The detailed composition of sectoral interventions across Member States is presented in the following figure. Apiculture is the only type of intervention supported across all Member States. Meanwhile, all Member States except for LU, MT, SI use fruit and vegetables interventions, although the share varies from less than 10% of the sectoral intervention envelope (BG, CZ, HR, RO, SI), to more than 50% of it (BE, DE, ES, FI, IE, IT, NL, PL). 16 Member States are eligible for wine sectoral interventions. Olive sectoral interventions are only supported through three CSPs, namely EL (22%), IT (5%) and FR (less than 1%). Hops is only supported in DE (4%). The possibility of supporting other sectors is taken up by just four Member States (SK, LV, IT, CZ).

Figure 18: Sectoral intervention in relation to planned total public funding per CSP



Source: Project team, based on DG AGRI extract from SFC database (January 2023)

Figure 19: Share of planned public funding for sectoral interventions by sector and by Member States



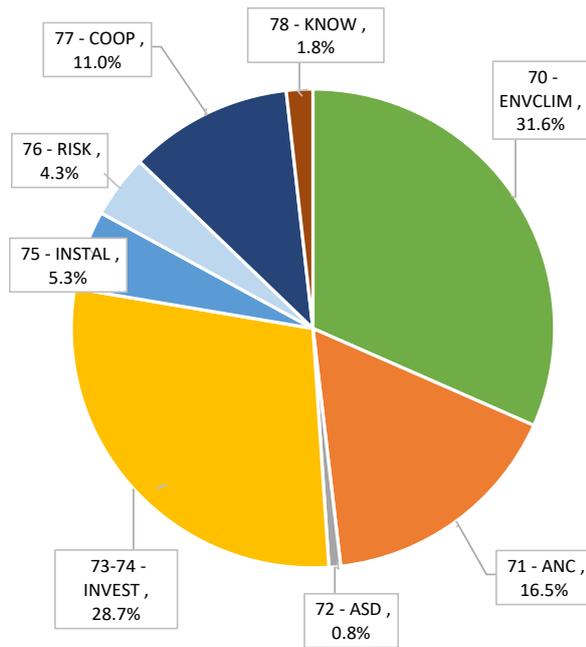
Source: Project team, based on DG AGRI extract from SFC database (January 2023)

4.4. Rural development interventions

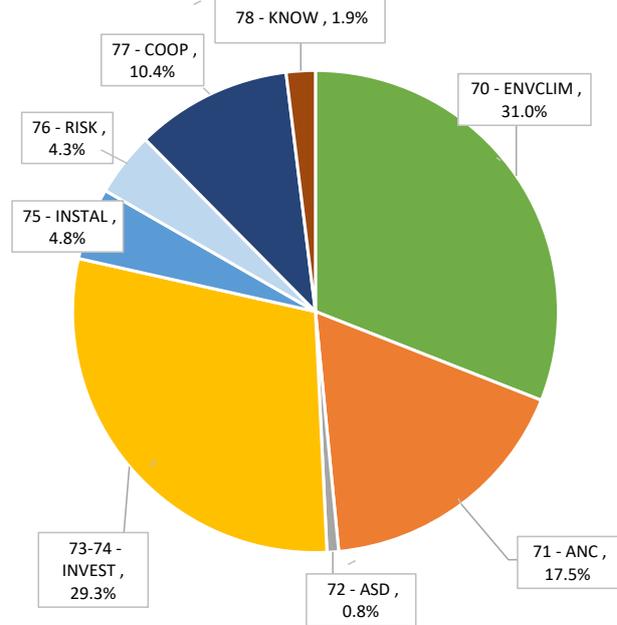
The distribution of planned funding among the types of rural development intervention (also see section 2.2.1) is presented below, both at EU-27 level (Figure 20) and at Member State level (Figure 21).

Figure 20: Share of planned rural development interventions

In EAFRD

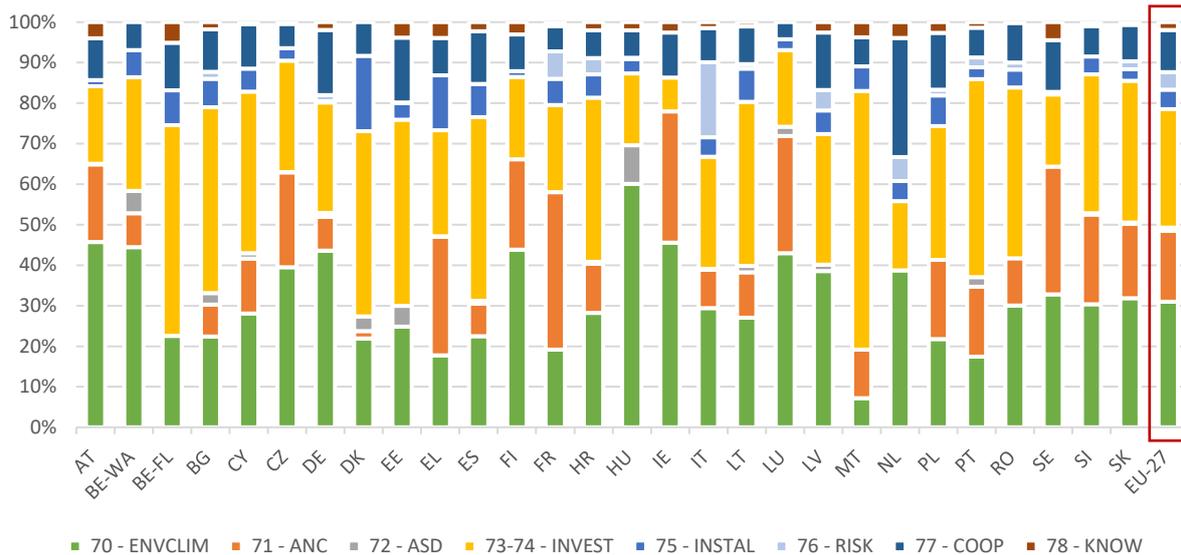


In total public funding (EAFRD & national)



Source: Project team, based on DG AGRI extract from SFC database (January 2023), excluding technical assistance

Figure 21: Distribution of rural development interventions of approved CSP in planned total public funding



Source: Project team, based on DG AGRI extract from SFC database (January 2023), excluding technical assistance

The distribution of total public funding between the different categories of rural development interventions at the level of each CSP reflects the diversity of Member State approaches to the use of the EAFRD to address their needs. Some have placed greater emphasis on environmental and climate interventions (IE), others on investments (BE-FL, BG, DK, FI, ES), installation (DK), risk management (IT) or cooperation (NL) (Figure 21).

The mobilisation of the different rural development interventions by Member States is described below as well as the share of intervention in total public funding.

- (1) **Environmental, climate-related and other management commitments** (70 – AECM) is mandatory. Overall, the share of funds earmarked for these interventions is the highest and has increased from 27.6% in the previous period to 31.0% in the 2023-2027 period (in addition to eco-schemes under the direct payments). However, there is great heterogeneity, with some Member States planning less than 20% (MT, PT, EL, FR) under rural development while others spend more than 45% (HU, IE, AT) on such interventions. However, these findings must be tempered by the fact that this high share under rural development is balanced by a share of less than 25% of the eco-schemes under direct payments for five of the six Member States (excluding IE).
- (2) **Compensation for natural or other area-specific constraints** (71 – ANC) is relatively important and remains stable (from 17.9% for the previous period to 17.6% for the new period). It is planned in all CSP except for BE-FL, EE, NL, HU, LV. On the other hand, five Member States planned from 29% (LU, EL, IE, SE) to 39% (FR) of their budget for this intervention.
- (3) **Area-specific disadvantages resulting from certain mandatory requirements** (72 – ASD). The share of this intervention is quite modest but demonstrates a slight increase (from 0.6% for the previous period to 0.8% for the current one), with HU spending nearly 10% on this intervention.

Overall, these three categories of area-based interventions account for almost 50% of the planned total public funding at EU-27 level.

- (4) **Investments in agriculture, forestry, environment and rural** (73-74 – INVEST) is the second largest component under rural development. Nevertheless, these investments are becoming less important, reducing in share from 35.8% in the previous period to 29.3% in the current period, with a drastic decrease occurring in SK, IT, ES, LV and NL. The investments account for more than 45% of total public funding in ES, DK, BG, EE, PT, BE-FL and up to 64% for MT. Overall, around 60% of investments are intended to benefit competitiveness, 25% are earmarked for environmental goals and the remaining 15% for rural development investments (Becker and al., 2022). DK, IE, ES have earmarked a very high share for environmental investments while MT, BG and FI are notable for their investment in rural development.
- (5) **Setting-up of young farmers and new farmers and rural business start-up** (article 75 – INSTAL) is declining in relative importance, from 6.6% in the previous period to only 4.8% in the current period. The obligation to dedicate 3% of the initial direct payment envelope to support young farmers (under both direct payments and rural development) has therefore not led Member States to increase support under rural development. It is planned in all Member States, except IE. DK and EL stand out with the highest share dedicated to support installation of young farmers (respectively 19% and 13% of rural development funding). AT, IT, FR are the only Member States to offer start-up support outside agriculture and forestry. (Becker and al., 2022)
- (6) **Risk management tools** (article 76 – RISK) are optional within the CAP SP. Around half of the Member States (14 out of 27 Member States), have included risk management tools under the Rural Development Interventions in their CSPs, very unevenly. The share of risk management support has increased from 2% in the previous period to 4.3% in the current period. IT (19%), FR (7%) and NL (6%) make the most important provisions in financial terms. Finally, as demon-

strated above, only three Member States (BG, IT, RO) use the opportunity of Article 19 of Regulation 2021/2115 to assign funds from their direct payment envelopes to risk management tools.

- (7) **Cooperation** (article 77 – COOP) has LEADER and EIP-AGRI as main interventions. The share for cooperation is 10.4%, including around 7.2% for LEADER in EU funding. 12 Member States have allocated more than 7% for LEADER including DE, ES, EE assigning above 10%. The remaining Member States are close to the 5% minimum requirement. The NL stand out with about 29.4% of total public funding planned for cooperation intervention (article 77), out of which 4.6% is for LEADER.
- (8) **Knowledge exchange and dissemination of information** (article 78 – KNOW) account for 1.9% of rural development interventions. BE-FL, SE, AT, EL, NL, EE, MT stand out with an allocation of at least 3%.

4.5. Comparative overview and clustering of CSPs

This section provides a comparative overview of interventions of national CSPs along the three general CAP objectives²⁹. Commonalities, differences, and overarching patterns of the national CAP implementation are addressed where possible by an indicative clustering.

Clustering³⁰ supported where possible the development of typologies of the CSPs showing commonalities and differences in Member States implementation choices. The project team encountered some difficulties in this process due to the numerous objectives covered by the CAP and the interventions, their use in the CSPs and the possible adaptations. Several simplified typologies were developed based on target values of the PMEF results indicators and financial allocations in relation to the three main CAP objectives (economic, climate & environment, and social). They cover structural characteristics, as well economic, climate and environmental objectives of the CAP. A descriptive analysis is given on the fairer, social and rural aspects³¹.

The typology based on structural criteria resulted in three groups (see table 3) with respectively 10, 9 and 8 Member States. The criteria are 1) *the share of budget allocated to direct payments*, 2) *the EU contribution rate to rural development* and 3) *the amount of EU (EAFG and EAFRD) funding per ha*.

Table 3: Clustering based on structural features of CSP

Group 1- 10 MS	Group 2- 9 CSP	Group 3- 8 MS
High share of DP, high EU contribution rate, EUR/ha lower than EU average	High share of DP, low EU contribution rate, divergent around EUR/ha	Low share of DP, high EU contribution rate, divergent around EUR/ha
DE, DK, EE, ES, FR, LT, LV, PL, PT, RO	BE-FL BE-WA, BG, CZ, HU, IE, IT, LU, SE	AT, CY, EL, FI, HR, NL, SI, SK

Source: Project team, based on DG AGRI data (2023). Note: Malta is excluded from the clustering (outlier)

²⁹ An overview of the conditionality provisions is specified in Annex A6.

³⁰ Clustering was done using the k-means algorithm on "R" software; all data were normalised to be comparable. Data of groups were compared to the EU average and median of the selected result indicators (see Table A.18 in annex A.10).

³¹ The clustering based on some of the result indicators R36 (generational renewal) to R42 (social inclusion) in different combinations did not provide meaningful outputs for social and rural aspects.

4.5.1. Economically more sustainable and fairer CAP

Economically sustainable

Regarding economic aspects, criteria for clustering included the use of risk management tools, coupled income support (CIS), sectoral support, and investment support in rural development³². The resulting six groups are displayed in Table 4 with a description of the relevant distinguishing criteria.

Table 4: Clustering and characteristics based on variables related to an economically sustainable CAP

Group A- 2MS FR, IT	Group B-14 MS: BG, DE, DK, EL, ES, FI, HR, HU, LT, LV, PL, SE, SI, SK	Group C- 4 MS: BE- WA, CZ, EE, LU	Group D- 2 MS: AT, BE-FL	Group E- 2 MS: CY, PT	Group F -4 MS: IE, MT, NL, RO
Highest share of farms with CAP supported risk management (R5); high share of farms with CIS (R8) (double than EU average);	Investment support lower than EU average (R9) (except LV); CIS around average (R8);	High share of farms with CIS (R8); Investment support higher than EU average (R9) (except EE); very little sectoral support (except CZ)	High investment support (R9); share of farms with CIS lower than EU average (R8)	High sectoral support	Investment support lower than EU average; no or very little sectoral support; no or low CIS

Source: Project team, based on DG AGRI data (2023)

FR and IT are characterised by placing greatest importance of risk management within the CAP. While, together, Group A and C are characterised by a high share of CIS above the EU average (FR, IT, BE-WA, CZ, EE, LU). CY and PT are grouped around their high share in sectoral support. Group B, containing 14 MS, is characterised by low investment support while conversely group D with AT and BE-FL by high investment support. Finally, group F assembles the four countries (IE, MT, NL, RO) with low shares in all three variables used to detect economical sustainability.

Fairer CAP

The concept of a “fairer” CAP is defined in Regulation 2021/2115 in terms of a more equal distribution of income support among farmers through direct payments, in particular promoted by capping, degressivity and CRISS (see section 3.2.3)

As shown in Figure 11 a majority of 17 Member States do not apply capping nor degressivity. Most CSPs (26) apply CRISS with 21 for around 10-12% of direct payments. Five Member States have more important shares of CRISS ranging between 14 to 23% (HU, LT, BE-WA, HR, CZ). The redistribution of all direct payments to farms smaller than the respective Member States average is captured by result indicator R6. Redistributive needs are different according to varying contexts in the Member States. Section 3.4 of the CSP³³ needs to be considered for a detailed explanation about Member States commitment to a fairer CAP. An example of France and Romania is given in the box hereafter.

³² R5: Share of farms with supported CAP risk management tools; R.8: Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality; R9: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency; share of sectoral support in EAGF.

³³ Section 3.4 Overview as regards the aim of fairer distribution and more effective and efficient targeting of income support

From section 3.4 of CSPs about fairer income distribution

France's engagement to a "fairer" CAP does not appear from an analysis based on capping and degressivity (not applied), CRISS (around average) and R6 (% of additional DP for eligible farms below average farm size). France applies a redistributive system that has been in place since 2014. As written in the CSP, France direct payments are more equally distributed compared to EU average. Approx. 20% of the largest beneficiaries of direct payments receive 51% of the CAP support, compared to 81% on average in the EU. This is due to several factors, including – a relatively balanced distribution of land – the internal convergence of basic decoupled payments since 2015, which allows 82% of beneficiaries to benefit from a value of decoupled direct payments per hectare at more or less 15% of the national average value in 2019; – the use of the redistributive payment on the first 52 hectares of farms since 2015; as well as – the limit on coupled payments; – and the compensatory allowance for areas with natural handicaps.

Moreover, targeting of aid is achieved through direct and coupled aid. Funding amounts have also evolved depending on the sector. In fact, the amount allocated on average to arable farms have decreased by more than 25% in 10 years, while beef and sheep/goat farms have risen sharply. Through such mechanisms, France promotes internal convergence of the income of farmers. While arable farms were the biggest beneficiaries of CAP payments in France in 2007, this was no longer the case in 2017. The gradual internal convergence of basic decoupled aid since 2015 allowed a more equal distribution, and for basic income support to be narrowed down considerably.

Other MS, due to their own context, decided that certain tools proposed by the Commission are not appropriate for their situation. For example, Romania has opted for the application of the CRISS for farms between 1 and 50 ha. According to their CSP, this limit constitutes the intermediate segment of agriculture that needs to be developed in the next period and requires more support. Above this limit, Romania considers that farms do not need aid. While Poland justifies the access of large farms to funds by the aim of supporting the role they play on the internal market.

4.5.2. Greener CAP

Climate related objectives and interventions

Climate change adaptation and mitigation are targeted by conditionality provisions (GAEC 1, 2), a series of eco-schemes, AECM, related investment and knowledge transfer³⁴.

Maintenance of the share of permanent grassland previously covered under greening is now addressed under conditionality with GAEC 1. A decrease of no more than 5% of permanent grassland is allowed, compared to the reference year 2018. Protection of wetlands and peatlands under GAEC 2 is a major new standard. An early date of application (2023) is crucial, but based on publications from 2022, a series of Member States planned to start applying it for 2024 or 2025³⁵. In addition, the level of protection varies. Often essential restrictions on further drainage, tillage and/or conversion apply but with exemptions in Member States with a high share in peatlands (FI, IE, LT, LV, PL) (Nemcova & al. 2022). In addition, in some of the Member States with a high share of peatland, GAEC standards were considered to not be well linked to eco-schemes (LT, LV, PL) in 2022. On the contrary, in one Member State (IE) with a high proportion of peat soils (20%), relevant actions are foreseen under the AECMs. One of them concerns low-input, extensively managed peat grasslands with high water levels. The other is a geographically targeted AECM with landscape and watershed measures supported by local project teams. (Nemcova & al. 2022).

A majority of CSPs address climate change via eco-schemes (27 for adaptation and 22 for mitigation³⁶). Several AECM also address climate change and 29% of investments are tagged as "green".

³⁴ Sustainable forest development does also contribute to a greener CAP. The later was not considered within the framework of the study.

³⁵ 16 Member States request a derogation (4 Member States until 2024 – IE, FR, LT, SI) and (BE-FL, DE, EL, NL and FI) opted for a two-step approach. The remaining 12 until 2025 (BG, CZ, EE, EL, ES, HR, IT, LV, HU, PL, PT, SK).

³⁶ MT does not address climate change adaptation and CY, ES, HU, LU, SE do not address mitigation

Clustering based on three result indicators, namely carbon storage in soils and biomass R14³⁷, reducing emission from livestock (R13)³⁸ and investments related to climate (R16)³⁹, resulted in the identification of four groups (see Table 6).

Table 5: Clustering and characteristics based on three climate related variables

Group 1 of 6 MS: BE-WA, CZ, DK, EE, LU, NL	Group 2- 4: AT, FI, HR, LV	Group 3- 16: BG, CY, DE, EL, ES, FR, HU, IT, LT, MT, PL, PT, RO, SE, SI, SK	Group 4-2: IE, BE-FL
High carbon storage in soils compared to EU average, not investing in reducing emissions from livestock with the CAP	Reducing emissions from livestock with CAP support, carbon storage in soils slightly over EU average	Little climate ambition based on the 3 target indicators compared to EU average with some exceptions ⁴⁰	High investments related to climate compared to EU average

Source: Project team, based on DG Agri data (2023)

Environment related objectives and interventions

Within the framework of this study, target indicators related to water protection, soil and biodiversity were considered for the comparative overview based on clustering. Other aspects such as Natura 2000, sustainable forest development, air quality, water quantity are of course relevant but could not be considered within the framework of this study. Investments, knowledge transfer, advisory services, cooperation are relevant interventions but not captured in these target indicators.

Requirements regarding water protection were increased under conditionality via GAEC and SMR. They concern buffer strips along watercourses under GAEC 4⁴¹, requirements arising from the Water Framework Directive (WFD) and the Directive on the sustainable use of pesticides that have been included in SMR. 24 Member States have eco-schemes addressing water protection (all apart from HU, IT, SK). Support to organic farming, boosted by the EGD objectives is in favour of water protection (supported under eco-schemes, AECM or both see Figure 16). In addition, AECM, green investments and cooperation and knowledge exchange contribute to water protection. Moreover, the ANC, besides income support, also contributes to limiting land abandonment, which can contribute to preserving farmland biodiversity, particularly on mountain pastures. The estimated growth in area under organic farming supported by the CSPs is illustrated in Figure 22.

³⁷ R14 share of UAA under supported commitments to reduce emissions or to maintain and enhance carbon storage.

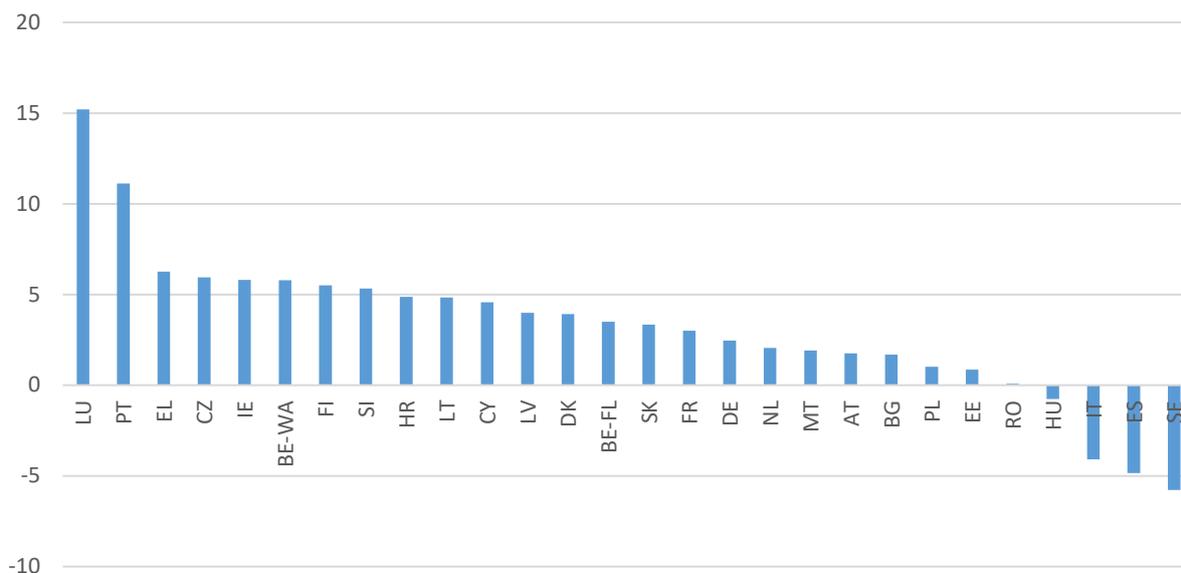
³⁸ R13 share of livestock units (LU) under supported commitments to reduce emissions of greenhouse gases and/or ammonia, including manure management; it includes sectoral types of interventions related to livestock, related eco-schemes (art.31), AECM (art.70).

³⁹ R16 share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials (art. 73, sectoral interventions)

⁴⁰ Values are above EU average respectively for EL, RO, SI for carbon storage in soils (R.14); for EL, HU, LT, PT for emissions from livestock (R13) for ES and FR for investments related to climate (R.16)

⁴¹ where the minimum width has been extended from 1 to 3m with several Member States (8) with even a larger width of 5-6 m (BE-WA, BG, ES, FR, IT, LU, MT, SI).

Figure 22: Estimated growth share of UAA under organic farming supported by the CAP (R.29/C.19; in %)



Source: Project team, based on DG AGRI extract from SFC database (January 2023)– Targets – Table 2.3.1 (R.29) and Agri data context indicator (C.19)

The analysis is based on a comparison between the areas under organic farming in 2020 (context indicator C19) and the targets set by each Member State for the development of organic farming for 2027 through CAP support. With the exception of 4 Member States, all foresee an increase, with LU and PT at above 10% which is extremely important.

Protection of soil is addressed in three GAEC standards (GAEC 5, 6, 7) through tillage management, avoiding bare soil, and crop rotations (with GAEC 7 on crop rotations being new). Eco-schemes mainly address maintaining soil cover through vegetation on arable land, with requirements going beyond the respective conditionality rules, measures to prevent erosion and non-ploughing requirements. Limitations are mentioned in the literature linked to conditionality derogations used by some Member States on crop rotation but also on interaction with eco-schemes (Runge et al, 2022).

Biodiversity

Several conditionality standards contribute to biodiversity, notably the requirements on permanent grassland (GAEC 1), wetland and peatland (GAEC 2)⁴² and the ban on converting or ploughing permanent grassland designated as environmentally-sensitive in Natura 2000 sites (GAEC 9). Furthermore, to improve on-farm biodiversity, GAEC 8 requires farmers to devote a proportion of arable land to non-productive areas. Options are given to Member States on how to implement this, some of which being considered controversial by scientific literature due to their low environmental effect (catch crops, nitrogen fixing crops) compared to land lying fallow (Pe'er et al., 2022). Links with eco-schemes (notably targeting reduction of the use of fertiliser, of plant protection products, organic farming) and also AECM are numerous and could potentially be highly effective.

⁴² Setting the obligation of decrease of maximum 5% of permanent grassland at national level can be considered as weakness as situations may be very contrasted according to the different regions in a Member States (source: Nemcova & al. 2022).

Environmental cluster

Indicative clustering⁴³ around a selection of four environmental target indicators based on areas respectively under commitments *beneficial for soil management* (R19), *protecting water quality* (R21), the *development of organic farming* (R29), and *preserving habitats and species* (biodiversity) (R31) lead to 3 groups (with respectively 4, 12 and 12 CSPs). A group with high CAP environmental ambitions based on selected target indicators (EE, FI, LU, NL), all above the EU average; a group with 12 CSP (BE-FL, BG, CY, ES HR HU IE IT LT MT PL RO) with a lower green ambition based on result indicators, all below the EU average. And a third group with mixed environmental ambitions, high on organic and soil, medium on biodiversity and water (except for FR with lower ambitions, and AT, SE with higher ambitions).

4.5.3. Socially sustainable CAP

A socially sustainable CAP primarily covers four elements: The new social conditionality, generational renewal (SO7), local development and social inclusion in rural areas notably supported by LEADER (SO8), and animal welfare, antimicrobial resistance, biosecurity (SO9). The clustering based on some of the result indicators R36 (generational renewal) to R42 (social inclusion) in different combinations did not provide meaningful outputs for social and rural aspects. The values assigned by Member States to the result indicators are described individually.

(a) Social conditionality

According to the European Commission, the new CAP provision supporting the protection of EU agricultural workers' rights is an important change. CAP support (under both EAGF and EAFRD) will be linked to farmers' respect of the social and labour rights of agricultural workers. Farmers must provide their workers with a written description of the agreed working conditions and will have to ensure a safe and healthy working environment. Their CAP payment will be reduced in case of non-compliance with these rules. Four Member States (FR, IT, AT and LU) have decided to apply these rules from 2023 onward and ES and PT in 2024, but the vast majority of Member States will apply them from 2025 due to the complexity of setting up systems at national level (DG AGRI Interview, 2023).

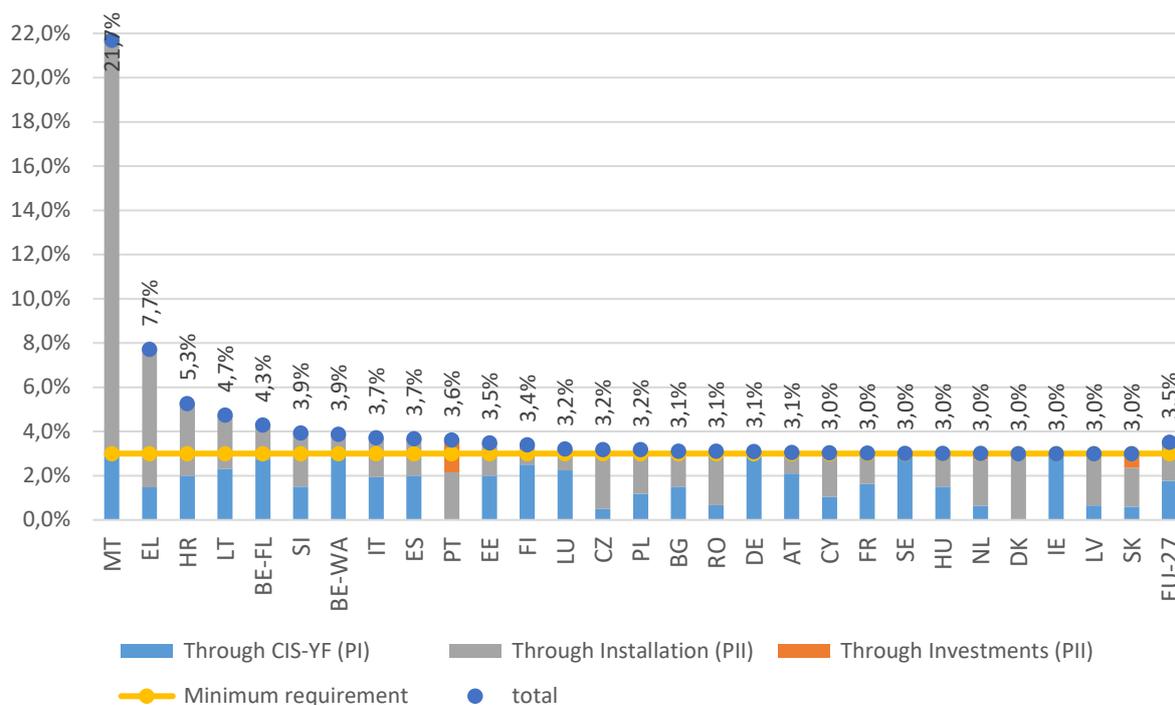
(b) Generation renewal in agriculture

Generational renewal in agriculture is a high priority of the CAP. Member States must devote a minimum of 3% of their initial envelope of direct payments to young farmers. This support can be granted in the form of enhanced income support (CIS-YF), start-up aid for young farmers (Article 75 – INSTAL) or investment aid (Articles 73-74 – INVEST).

Member States devoted on average 3.5% of direct payments (or 2.6% of their total CAP EU funding) to this objective. Nine CAP plans are exactly at the level of the minimum allocation of 3% (CY, FR, SE, HU, NL, DK, IE, LV, SK) while the other 19 CSP allocate a higher amount. Only 5 CSPs allocate more than 4% of their DPs (MT, EL, HR, LT, BE-FL).

⁴³ Environmental ambition depends not only on the value of target indicators but MS' starting point reflected in context indicators. This comparison could not be implemented in the framework of the study nor a comparison with the previous period. And finally, some MS address certain needs outside the CAP and CSPs.

Figure 23: Share of EU funds (EAGF and EAFRD) dedicated to generational renewal (SO7) compared to initial direct payments allocation before transfers (ringfencing)



Source: Project team, based on based on DG AGRI extract from SFC database (January 2023), section 6.1

Almost all Member States (24) are planning combined support, except for IE which funds young farmers exclusively through CIS-YF (direct payments), and PT and DK which exclusively mobilise rural development support. Only five Member States (PT, FR, HU, NL and SK) provide for investment support specifically targeted at young farmers.

In total, Member States plan to support 376,813 young farmers (R.36) over the 2023-2027 period with a targeted EU support of almost EUR 6.8 billion. This represents around EUR 18,000 of EU support per young farmers.

Compared to the previous period, there is no increase of overall budget planned for YF, rather, a significant shift in funding from rural development support (decreasing from 6.6% in 2014-2020 to 4.8% in 2023-2027) to direct payments (increasing from 1.2% to 1.8% of CIS-YF). However, support for young farmers may be part of a broader national approach that combines national instruments and provisions with CAP support as in France or Belgium.

According to the European Commission, this objective is the subject of certain innovations, such as succession agreements, support for new farmers and incentives for women. Six Member States use cooperation interventions to support farm transfers (FR, IT, HU, NL, IE, ES). With regard to gender equality, only five CSP (AT, DE, ES, IE, IT) offer specific support measures for rural women, two of which (ES, IE) aim to improve women’s participation in agriculture. (European Commission, 2022b).

(c) Rural areas

The majority of the CSPs rely mainly on the mandatory LEADER-related interventions to address the numerous and diverse needs identified for the socio-economic development of rural areas beyond agriculture.

The share of total EAFRD funding earmarked for LEADER (7.7%) is higher than in the previous period (5.5%) and the minimum requirement (5%), with some differences evident between Member States. Seven CSPs are at exactly the level of the minimum allocation of 5% of EAFRD (BE-WA, AT, IE, FR, NL, HU, CZ) while others are above 10% (ES, EE, DE). The share of the rural population covered by planned local development strategies (R.38) is similar for the two periods, the target value of 65.3% is 2.8 percentage points higher than the 62.5% (R22) achieved in 2020 under the previous programming period.

Overall, CSPs will at least cover 35% of the rural population. Five Member States cover their entire rural population with LEADER (FI, LT, LV, MT, PT). Three MS (IE, LU, NL) only have LEADER (R.38) to support rural areas, while a few others (CZ, LV) also add developing the rural economy for this purpose.

In contrast, the proposed CSPs tend to provide a more limited financial allocation to meet the relevant specific objectives compared to former priority 6 of the previous rural development programmes (social inclusion, poverty reduction and economic development in rural areas). Only 16 Member States provide for some interventions beyond LEADER, often with very limited budget (European Commission, 2022b).

Smart transition and social inclusion are almost not addressed by CSPs. Only a minority of seven Member States (AT, ES, FI, HU, IT, LT, PL) address the smart transition of the rural economy (R.40). Only six Member States (AT, BE-WA, CY, FI, HU, IT) address social inclusion (R.42) in their CSPs.

(d) Animal welfare, antimicrobial resistance and biosecurity

All CSPs propose interventions in favour of animal welfare, except DK and IT which support this objective through ESI funds. It covers a wide range of species. The support is generally based on rural development interventions (agri-environmental investments and commitments) or eco-schemes, except for AT, LT, PL, PT, RO, and SK which combine direct payments and rural development interventions by using eco-schemes as well. The target share of livestock units supported by the CAP to improve animal welfare (R44) is high (23.1%).

According to the European Commission, explicit progress regarding animal welfare was made on the following two topics: all Member States have made the detailing of pigs illegal (hence the number of sqm/animal has increased); licenses for cage systems (poultry) will not be renewed and exemptions based on purely productive arguments were not approved, as highlighted in interviews with DG AGRI.

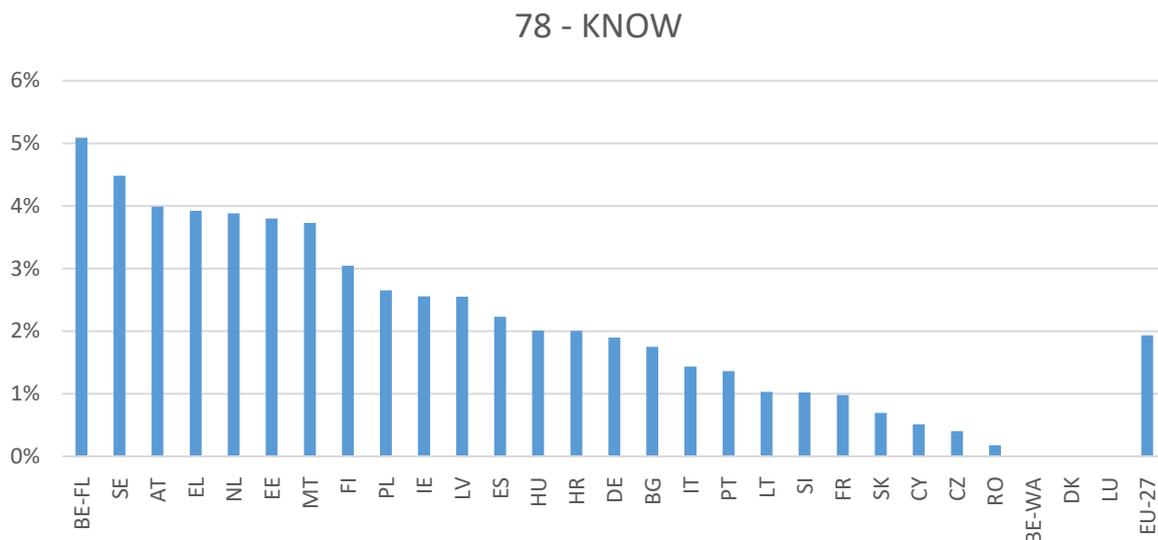
A majority of draft CSPs did not plan specific interventions targeting antimicrobial reduction. Reductions are expected to be achieved through eco-schemes, organic farming and AECM, or by efforts outside the CAP (European Commission, 2022b). This has been developed to some extent in the approved 28 CSP (2023-2027) (European Commission, 2023c).

4.5.4. Knowledge sharing, innovation, and digitalisation

Member States were required to detail their strategy for knowledge sharing and innovation, including strategic and articulated approaches to strengthening the national Agricultural Knowledge and Innovation Systems (AKIS) in their CSPs (Article 78). Among AKIS actors, advisors, researchers, and others, play a key role for the successful implementation of the CAP towards its objectives, notably climate and environmental objectives through support to meet conditionality requirements and by participating in eco-schemes and AECM.

25 CSPs support interventions for knowledge exchange and information dissemination with the EAFRD (all except BE-WA, DK and LU who use other funds). They cover a wide range of interventions such as training for advisors and farmers, on-farm demonstration activities, mobility of advisors to learn abroad, discussion groups for farmers, and back-offices for advisors to share up-to-date thematic knowledge.

Figure 24: Share of total public funding dedicated to knowledge exchange and dissemination of information under rural development



Source: Project team, based on DG AGRI extract from SFC database (January 2023), excluding technical assistance

Overall, the CSPs allocate about 1.8% of the EAFRD budget to specific interventions for knowledge exchange and information dissemination (excluding IIP-AGRI), with eight CSPs allocating over 3% (BE-FL, SE, AT, EL, NL, EE, MT, FI) (Figure 24). **As in the previous period, many AKIS related activities are funded outside the CAP.**

In most Member States, the national CAP networks complementing the newly established EU CAP network should play a key role in establishing connections and exchanges between farmers, advisors, researchers and other stakeholders, and in setting up knowledge exchange platforms (European Commission, 2022b).

Ultimately, the CSPs foresee supporting more than 6 million individuals for advice, training, knowledge exchange or participation in European Innovation Partnership (EIP) operational groups (R1), more than 200,000 advisors for integration within AKIS (R2), and 2.7% of farms for digital farming technology incorporation (R3).

5. CONTRIBUTION OF CAP STRATEGIC PLANS TO NATIONAL AND EU OBJECTIVES

KEY FINDINGS

- According to the ex-ante evaluations, the relevance of the CSPs is high in terms of economic needs and moderate for rural development and for environmental needs. Economic and environmental needs are emphasised across the 28 CSPs. The interventions of the CSPs largely target identified needs. However, a clear emphasis is detected on targeting economic needs of the agricultural sector, at times to the detriment of rural development, the climate and the environment. Environmental needs are targeted by the interventions of the CSPs; however, target setting is not consistently ambitious.
- Some Member States target significant needs outside of the framework of the CAP, leaving the individual CSPs with lower degrees of relevance in specific areas. This concerns, in particular, rural development investment (such as broadband and infrastructure) needs, as they are targeted by Recovery and Resilience Facility (RRF) interventions, but also forestry, risk management and AKIS.
- The Russian invasion of Ukraine saw Member States adjusting their CSPs. The most significant change was the justification of coupled support in eight plans and risk management tools in three plans.
- Contributions to the European Green Deal (EGD) goals are specified throughout the CSPs, but largely not quantified or made precise. The eco-schemes together with AECM for organic farming and strengthened conditionality will likely generate the majority of related benefits towards achieving EGD targets. However, the increased use of coupled support for livestock in the 2023-2027 period risks reducing contributions in the field of GHG emission and nutrient loss reduction.

5.1. Relevance of the CAP Strategic Plans

The project team analysed the assessments of the ex-ante evaluators⁴⁴ on the relevance of the needs, the interventions and allocated funding and the set milestones. Further evidence sources include the 28 CSPs, namely the needs specified under each SO and the extent to which the CSP specified the need as addressed or not.

5.1.1. Relevance of the needs

Identified needs

The CAP is a comprehensive set of policy instruments, with a relatively diverse implementation across Member States, as highlighted in section 3. This heterogeneity is in part due to the greater flexibility Member States have had in programming their CSPs, and in selecting and tailoring interventions ac-

⁴⁴ However, the review of the 28 ex-ante evaluations also revealed differences in scope and quality of the individual evaluations, with some evaluation teams only conducting assessments at relatively higher level (e.g. RO or PL) and others conducting a more thorough review (e.g. DE). In some cases, internal consistency is doubtful, such as with significant differences between summary judgements in the main report and in the political summary (e.g. PL). These issues were mitigated by extracting information directly from the CSPs.

ording to their specific needs. In principle, this approach featuring a relatively higher degree of devotion may lead to a relatively higher “matching” between intervention and targeted needs. However, this comes at the detriment to global public goods (such as GHG emissions, biodiversity and other environmental developments) which are not consistently sufficiently addressed.

The agricultural sectors and the rural areas of the EU-27 face a diverse set of needs, at times even particularly distinct within individual Member States. In assessing the relevance of the 28 CSPs, the project team collected and analysed the needs specified in the plans. In the first instance, the project team reviewed the CSP Member State factsheets to identify the three most pressing needs identified per CSP (see Table A.1).

Economic needs rank highly across most CSPs. Of the top identified needs, the majority selected by the Member States were economic in nature (48%), followed by environmental and climate needs (35%) and social/rural vitalisation needs (16%). Furthermore, there is a high degree of thematic concentration among major needs. This was particularly the case for economic needs in HR (all economic), FI, LV, RO, SK, SI and EL (mostly economic). Vice-versa, some, although fewer, CSPs prioritise environmental needs within these top needs – this includes BE-WA, CZ, FR, DE, MT.

- The economic need most often prioritised across Member States is the need for fairer income support, which appears frequently among top needs. The other most cited economic needs are competitiveness (appearing ten times), a fairer income support and support to productivity (each appearing five times).
- The environmental need most often stated is the need for climate and environmental protection (cited eight times), with relatively strong heterogeneity observed (including organic farming and efficient resource use).
- The social need seen most frequently is the need for generational renewal (nine times), followed by rural revitalisation and rural development (respectively appearing three and four times).

Relevance of needs

Member States were required to list all needs relevant to each SO in the CSPs. The needs were further prioritised by the Member State. The relevance of the needs specified in the individual CSPs was assessed by the ex-ante evaluators as part of the programming process of the CSPs. The project team reviewed the 28 ex-ante evaluations to provide an EU level assessment on the relevance of the needs. Overall, the needs specified in the CSPs and the approach to prioritisation is robustly tied to the SWOTs and reflect actual needs related to the agricultural sector, the environment, and rural areas. However, the linking of needs to interventions is not consistently robust for all SOs and all CSPs (see Box 1).

Box 1: Relevance of the needs specified in the CSPs

The relevance of the needs specified in the following CSPs is robust, with only relatively minor discrepancies (such as inconsistencies in the prioritisation): **BE-WA, CZ, ES, FI, HU, IE, IT, DE, EL, LU, LV, MT, NL, PT, SI**.

However, the selection of needs is not always consistently robust or detailed. This is the case in the following CSPs: **AT** (SO1, SO4, SO6), **BG** (SO1, SO2, SO3, SO5), **CY** (SO4-5), **DK** (SO1, SO3), **FR** (SO1, SO2, SO4), **BE-FL** (environmental needs), **EE** (SO1, SO3), **HR** (SO1, SO3, SO9), **LI** (SO4-6, SO9, CCO), **PL** (SO1, SO8), **RO** (SO2, SO3, SO7), **SE** (environmental needs and SO8), **SK** (SO9).

Source: Project team, 2023, based on ex-ante evaluations

Most prominently, the evaluators highlighted low relevance of the selected needs under SO1 fair income for farmers, specifically, and more generally in relation to the SOs under general objective 1:

Needs specified in relation to farm viability, income support and competitiveness were not always consistent with the results of the SWOTs or were unclearly prioritised. Similarly, the evaluators emphasised the selected needs in relation to the environment (and more specifically SO4-6) to lack relevance and not consistently capture environmental developments highlighted in the SWOTs. The relevance assessment also highlighted some cross-sectional aspects, such as the inclusion of more generic needs (for example in PT and SI, with both CSPs featuring less specific needs). Furthermore, the definition of these needs at national level risks de-emphasising regional specificities, such as in the case of HU. It further, de-emphasises supra-national needs, such as related to climate change.

To further assess the needs underpinning the selection of interventions, the project team extracted all needs specified per SO from the 28 CSPs. The results of this analysis are visualised in Table 6, listing the number of needs identified per SO along each CSP.

Table 6: Number of needs per SO

	SO1 Fair in- come	SO2 Compe- tition	SO3 Value chains	SO4 Climate action	SO5 Sustain- ability	SO6 Biodi- versity	SO7 Re- newal	SO8 Rural ar- eas	SO9 Food quality	CCO Innova- tion
AT	6	3	2	6	4	5	1	9	3	6
BE-FL	2	1	1	3	3	2	1	3	4	2
BE-WA	4	3	3	4	4	3	2	2	3	3
BG	6	9	6	8	7	9	6	6	8	5
HR	3	2	2	2	1	3	3	3	2	2
CY	5	10	5	8	7	6	5	10	6	8
CZ	4	9	3	6	3	6	1	4	4	1
DK	9	3	1	3	6	7	6	5	3	6
EE	11	10	5	8	12	10	4	8	11	10
FI	3	9	5	5	7	4	5	14	6	5
FR	6	6	4	7	4	4	4	4	5	4
DE	5	3	3	8	7	5	4	13	5	10
EL	18	13	11	5	11	10	5	22	24	21
HU	12	27	7	17	19	21	17	18	24	26
IE	5	2	2	5	4	2	3	6	5	4
IT	2	7	5	6	8	4	1	11	8	6
LV	14	10	16	11	8	13	9	14	13	21
LI	6	7	4	5	3	3	5	9	5	4
LU	6	7	5	6	5	7	5	8	6	6
MT	6	4	5	7	7	5	5	3	6	2
NL	4	3	4	3	3	2	3	3	5	1
PL	10	8	3	6	6	9	8	15	8	6
PT	10	18	8	10	13	15	11	18	16	8
RO	3	14	5	5	7	3	4	13	4	9
SK	4	4	3	8	5	5	4	6	4	5
SI	5	11	13	10	10	13	4	4	7	5
ES	6	10	8	10	9	11	7	13	9	6
SE	8	7	1	4	2	7	5	7	4	1
EU-27	183	220	140	186	185	194	138	251	208	193

Source: Project team, based on CSPs (2023)

Across the EU-27, the majority of needs are listed in absolute numbers under SO8 (251), followed by SO2 (220). In comparison, the minority of needs are specified under SO3 (140) and SO7 (138). However, this varies significantly along the individual CSPs, with some CSPs identifying comparatively more needs in certain SOs over others.

Box 2: Allocation of needs per SO

Needs tied to farm competitiveness under **SO2** are prominent across many CSPs and remain the most prevalent after rural development needs under SO8. Six CSPs have allocated the highest number of needs to SO2, including **BG, CY, CZ, HU, PT, and RO**. Comparatively, needs tied to fair income for farmers (**SO1**) are not as prominently allocated as under SO2, with only four CSPs (**BE-WA, HR, DK, SE**) placing a major emphasis on this SO in relation to other SOs.

Environmental and climate needs are highlighted particularly under **SO4-SO6** for 11 CSPs, namely **AT, BE-FL, BE-WA, BG, CY, DK, EE, MT, SK, SI, and ES**.

Needs related to rural development and social cohesion in rural areas feature prominently across the 28 CSPs via **SO8**. Out of the 28 CSPs, 11 allocated most needs under this SO: **AT, HR, CY, FI, DE, LI, LU, PL, PT, RO, ES**.

Knowledge and innovation needs feature prominently in many CSPs under the horizontal objective **CCO**. In the case of seven CSPs, the highest number of needs were specified under this objective (**CY, EE, DE, DK, EL, HU, LV**).

Source: Project team, based on CSPs (2023)

The needs identified by the 28 CSPs are numerous. They are generally robust and reflect the many challenges EU agriculture, rural areas and the environment face.

5.1.2. Relevance of interventions and allocated funding

The needs specified in the CSPs were generally addressed, either by the use of CAP interventions or by external instruments (such as national or other EU policies). The extent to which needs interlink with the interventions and their adequate coverage was assessed by the European Commission after the submission of the draft CSPs (see section 4.4).

The 28 CSPs specified to which extent needs stemming from the strengths and weaknesses assessment of the Member States were addressed within each of the SOs by the planned interventions. This information was extracted by the project team from the 28 CSPs and aggregated across the EU-27 (see Table 7). As such, it provides an overall assessment of relevance of the SOs in comparison to the identified needs.

Table 7: Targeting of needs per Specific Objective

	SO1 Fair income	SO2 Competition	SO3 Value chains	SO4 Climate action	SO5 Sustainability	SO6 Biodiversity	SO7 Renewal	SO8 Rural areas	SO9 Food quality	CCO Innovation
AT	100%	100%	100%	100%	100%	90%	100%	89%	100%	100%
BE-FL	75%	100%	50%	50%	50%	50%	100%	50%	50%	75%
BE-WA	63%	67%	50%	75%	88%	83%	75%	50%	50%	33%
BG	100%	100%	50%	100%	100%	100%	100%	100%	100%	100%
HR	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CY	90%	95%	80%	81%	79%	92%	70%	45%	75%	100%
CZ	88%	94%	67%	83%	100%	100%	100%	63%	75%	100%
DK	78%	100%	100%	100%	100%	100%	100%	90%	83%	75%
EE	91%	75%	80%	88%	88%	95%	100%	75%	86%	95%
FI	83%	72%	50%	60%	86%	88%	90%	79%	67%	80%
FR	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
DE	100%	100%	100%	100%	86%	100%	100%	92%	60%	90%
EL	83%	92%	100%	100%	100%	90%	100%	86%	67%	81%

	SO1 Fair in- come	SO2 Compe- tition	SO3 Value chains	SO4 Climate action	SO5 Sustain- ability	SO6 Biodi- versity	SO7 Re- newal	SO8 Rural ar- eas	SO9 Food quality	CCO Innova- tion
HU	88%	93%	71%	94%	100%	95%	76%	72%	83%	79%
IE	90%	100%	100%	80%	100%	50%	100%	100%	70%	100%
IT	100%	79%	90%	83%	88%	100%	100%	95%	69%	100%
LV	93%	100%	100%	91%	100%	85%	67%	93%	96%	98%
LI	100%	100%	88%	80%	100%	100%	90%	78%	70%	100%
LU	58%	79%	70%	67%	80%	79%	60%	88%	25%	0%
MT	67%	100%	80%	86%	100%	100%	60%	100%	83%	100%
NL	75%	100%	63%	67%	83%	100%	50%	67%	40%	100%
PL	80%	44%	50%	67%	58%	72%	63%	33%	56%	42%
PT	90%	64%	69%	90%	100%	90%	82%	83%	72%	75%
RO	100%	89%	100%	70%	86%	100%	75%	77%	100%	94%
SK	88%	88%	100%	88%	90%	90%	88%	75%	75%	100%
SI	90%	86%	92%	100%	95%	88%	100%	75%	86%	70%
ES	83%	95%	69%	95%	100%	100%	100%	100%	61%	100%
SE	38%	43%	50%	38%	50%	43%	40%	36%	38%	50%
EU-27	84%	85%	82%	86%	92%	90%	82%	79%	74%	84%

Source: Project team, based on CSPs (2023); Note: the needs selection in the FR CSP corresponds fully with addressed needs.

Across the EU-27, the highest share of needs was addressed under the environmental objectives SO5 and SO6, indicating a relatively high degree of relevance for interventions in that field. Conversely, the lowest share of needs was addressed under SO8 and SO9 via the CSPs, meaning some needs were left unaddressed by the intervention mix included under these SOs.

Across the individual CSPs, the share of unaddressed needs is comparatively higher in BE-FL, BE-WA, LU, NL, PL, PT, SE across most SOs. This can be explained in first line by an only partial coverage of the needs by the CAP, which is then used in complement with other national or European programmes and instruments (e.g. BE-WA, BE-FL, NL, PT). However, SE, LU and PL show an important number of needs not addressed by their interventions at all. In the case of SE and LU, these needs mostly concern AKIS, competitiveness, biodiversity, environment protection, and public information. In PL, unaddressed needs rather concern investments in infrastructure and digital technologies as well as certain competitiveness needs. Additionally, interesting to note is the integration of needs concerning land, housing and taxes policy by the Member States SE, PT and NL. These needs are addressed by national and EU policies.

Interviews with representatives of DG AGRI highlighted the use of other policy instruments to address needs identified during the programming of the CSPs by Member States. This concerns particularly interventions targeting **irrigation, broadband, energy efficiency, renewable energy, and forestry** needs. In terms of external instruments, the National Recovery and Resilience Plans are typical instruments to address needs related to investments (e.g. broadband, digitalisation, renewables and energy efficiency). National policies are often used for forestry and complementary agri-environmental measures. Member States also apply specific national regulatory tools to address needs related to pesticides and animal welfare.

Relevance of the funding

In addition to extracting this information, the project team collected the ex-ante evaluators' assessment on the relevance of the instruments and of the allocated funding. The results of this assessment are provided per Member State in the Annex (Table A.2).

The ex-ante evaluators note issues with the intervention logics throughout many CSPs, with mismatches between identified needs and interventions. In many cases, these aspects were amended throughout the programming process based on received feedback, however, the evaluators also noted persistent issues tied to the allocation of funding in relation with identified needs.

Evaluators pointed out lacking relevance of instruments planned under specified SOs. While synthesis of these assessments across the 28 CSPs comes at the risk of generalising complex needs and planning interventions, common patterns can be identified. **Across the CSPs, particularly the disproportionate income support to farmers under SO1, the wide diversity of the needs under SO4-6 and the relatively lower degree of targeting needs under SO8 were identified to lead to a lower relevance of interventions and funding** in those areas.

Lower relevance of interventions and funding was noted particularly for SO1. The evaluators also note an emphasis on direct payments programmed under SO1 (e.g. BISS) with a significant concentration of funding along the direct payments instruments compared to needs in many plans. This potential over-allocation of funding in contrast with identified needs was noted for several CSPs (PL, AT, BE-WA, CY, FI, DE, DK), with insufficient support to target underlying structural issues (via investments for example) and income disparities. This disproportionate support for in particular BISS under SO1-3 comes at the risk of leaving inadequate funding for other needs, especially under SO8.

Evaluators also noted the complexity of assessing environmental needs in relation to the intervention programmes under SO4-6 and, at times, a **low level of ambition** in relation to identified needs (see Table A.2). On the other hand, evaluators for most other CSPs noted a moderate to high relevance for the interventions included under SO4-6, signalling an overall good fit in relation to identified needs.

A significant number of needs were identified under SO8, as highlighted in Table 6. However, these needs are not consistently addressed (such as in AT, EE, EL, RO, SE, SI), particularly in relation to the allocated funding (see also Table 7). The prominent use of LEADER to target a wide array of needs related to rural development within SO8 risks placing LEADER as a "catch-all" intervention.

Needs related to knowledge and innovation in rural areas and the agricultural sector are pressing. This is also highlighted in Table 6 under CCO. However, the review of the ex-ante evaluations also reveals the risk of lower relevance for interventions contributing to the associated CCO, particularly in LV, FI, CY, with significant unmet needs.

5.1.3. Relevance of the target values

The final selection of indicators in the CSPs was the product of two distinct rounds of negotiation: namely during the drafting of the CAP regulations, followed by the programming processes and negotiations between Member States and DG AGRI. One of the core characteristics of the result indicators included as part of the PMEF in the CSPs, is their close proximity to output indicators. This is also reflected by the ex-ante evaluators who attributed partially lower degrees of relevance to the selected result indicators in terms of capturing the results of the interventions. However, when assessing result indicators, it is also important to consider the balance between their accuracy in capturing results and the effort necessary to monitor, collect and report these indicators.

A review of the 28 ex-ante evaluations highlights particular issues in the PMEF result indicators in terms of capturing results of the interventions in the CSPs of AT (SO2, SO4, CCO), BE-FL and BE-WA (generally), CY (SO2, SO4, SO7, SO8), CZ (SO4-6), DE (generally), EL (SO1, SO3, SO9), LV (SO4, SO8), NL (generally, in particular SO3), SE (SO6), and SI (SO1, SO2, SO3, SO6). However, the majority⁴⁵ of ex-ante evaluators deemed the selection of PMEF indicators robust and relevant.

The target values of the result indicators provide an indication of the overall level of ambition the Member States are channelling through the CSPs. The project team analysed the relevance assessments of the ex-ante evaluators with regard to the target values of the 28 CSPs. The summary of this assessment per Member State is provided in Table A.3.

Overall, the evaluators identify a moderate degree of relevance, with most CSPs including relevant target values combined with comparatively low ambition in selected fields. This is particularly the case for result indicators contributing to SO4-6 (SK, LV, LU, HR, BE-FL, BE-WA), where the targets are generally too low in comparison to detected needs, signalling lower degrees of relevance. However, the level of ambition reflected in the target values of certain result indicators (in particular R.29 organic farming) should be contextualised in relation with the progress made towards this target value during the negotiation process, with some target values having increased substantially between the first proposals and the those included in the approved plans.

The evaluators also note cases of over-ambitious target setting in selected CSPs, questioning their achievability. This is the case in HU, for example, related to investments and in HR related to rural development measures in general.

5.1.4. Adjustments of the Plans due to the Russian invasion of Ukraine

With the Russian invasion of Ukraine and the increase in commodity prices, the drafted CAP Strategic Plans were adjusted in light of changes to food security and the overall resilience of the agricultural sector due to shocks to the inputs of energy, fertilisers and animal feed. The European Commission advised the Member States to adapt their draft plans to account for these developments and reinforce the resilience of their agricultural sectors. The mandatory implementation of GAEC 8 was also postponed by one year.

The project team reviewed both the observation letters, as well as the 28 approved CSPs for changes arising from the Russian invasion of Ukraine. The review of the individual CSPs was supported by text analysis tools, identifying excerpts of the plans referencing the conflict⁴⁶.

The review of the 28 approved CSPs highlights that major changes to the fundamental character of the interventions remain very limited. A comprehensive overview per CSP is provided in Table A.4. Generally, most Member States referenced the conflict throughout the plans (predominantly in combination with other external shocks, in particular COVID-19), further supporting choices of instruments, or in their identification of risks. These references are largely unspecific in nature and not necessarily explicitly tied to a given instrument.

To a large extent, Member States justified the use of coupled support targeted to sectors identified at the level of needs due to supply chain issues or inflation burden. The review recognised nine CSPs (CY, EL, ES, FI, HR, LT, LV, MT, PL; see Table A.4) justifying its use due to pressure from the invasion. Coupled

⁴⁵ BG, DK, EE, ES, FI, FR, HR, HU, IE, IT, LU, LI, MT, PL, PT, RO, SK

⁴⁶ Keywords related to the war were translated into all Member State languages, to identify relevant text elements. These were subsequently extracted and analysed.

support was generally targeted at multiple sectors, including livestock farming. Some CSPs foresee extensive support for livestock farming, such as in the ES and the PL plans, whereas other plans target a more limited number of non-livestock sectors (LV). Another tool to limit the impacts of the conflict on farmers is the use of risk management tools. The use of risk management tools to mitigate impacts was highlighted in four CSPs only, namely in the case of the BE-FL, BG, FR, and HR.

The prominent return of coupled support to address sectoral issues may contribute to the overall economic stabilisation of the affected sector. However, coupled support for livestock farming also risks reducing potential contributions to the climate and environmental targets of the European Green Deal. The reintroduction of support per animal may not provide incentives for farmers to reduce livestock numbers and associated GHG emissions, if not otherwise compensated by dedicated measures within and outside of the CAP.

5.2. Contribution to the Specific Objectives

The 28 CSPs feature significant thematic heterogeneity with Member States tailoring the funding and intervention mix to their own specific needs. The project team approximated the interlinkages between the interventions and the SOs by calculating the share of result indicators contributing to a given SO⁴⁷. The results of this assessment are presented in Table 8. While this assessment of thematic concentration does not take the extent of contribution into account (i.e. target values), it visualises how many interventions contribute to a given SO.

Across EU-27 the 28 CSPs generally emphasise their contributions to SO4-6, as marked by number of result indicators dedicated to these SOs. This is the case in 18 out of the 28 CSPs. Consistently relatively fewer result indicators contribute to interventions under SO3 (except for BG, LV, SK), SO7 with the exception of DK, IE, SE), and CCO (except for ES, HU, BE-FL) across the CSPs.

Table 8: Thematic concentration of the CSPs – overall share of result indicators contributing to a specific objective

	SO1 Fair in- come	SO2 Com- peti- tion	SO3 Value chains	SO4 Cli- mate action	SO5 Sus- taina- bility	SO6 Biodi- versity	SO7 Re- newal	SO8 Rural areas	SO9 Food quality	CCO Inno- vation	Focus
AT	23%	19%	7%	23%	30%	26%	5%	26%	14%	9%	SO5, 6, 8
BE-FL	10%	19%	10%	43%	40%	36%	5%	24%	17%	14%	SO4-6
BE-WA	14%	7%	7%	21%	24%	29%	2%	12%	7%	10%	SO4-6
BG	12%	9%	16%	21%	16%	23%	2%	9%	9%	9%	SO4-6
HR	14%	14%	5%	17%	19%	29%	7%	12%	10%	10%	SO4-6
CY	12%	16%	7%	23%	30%	19%	5%	16%	12%	9%	SO4-6
CZ	11%	16%	18%	16%	27%	23%	5%	5%	9%	7%	SO3, 5, 6
DK	42%	16%	11%	45%	47%	39%	13%	11%	34%	0%	SO1, 4, 5
EE	15%	8%	5%	21%	21%	26%	5%	10%	5%	8%	SO4-6
FI	14%	5%	5%	12%	17%	12%	5%	12%	7%	10%	SO1, 5, 8
FR	13%	20%	13%	28%	33%	38%	8%	15%	18%	3%	SO4-6
DE	15%	12%	7%	22%	34%	37%	5%	12%	7%	15%	SO4-6
EL	9%	7%	7%	20%	29%	29%	2%	9%	9%	9%	SO4-6
HU	14%	9%	7%	25%	27%	32%	7%	16%	11%	14%	SO4-6

⁴⁷ The evidence base for this analysis is an SFC extract of all result indicators and their milestones across the 28 CSPs, provided by DG AGRI (January 2023).

	SO1 Fair in- come	SO2 Com- peti- tion	SO3 Value chains	SO4 Cli- mate action	SO5 Sus- tain- ability	SO6 Biodi- versity	SO7 Re- newal	SO8 Rural areas	SO9 Food quality	CCO Inno- vation	Focus
IE	18%	8%	13%	26%	26%	24%	18%	11%	18%	8%	SO4-6
IT	11%	11%	11%	24%	26%	28%	4%	13%	9%	9%	SO4-6
LV	11%	4%	15%	17%	13%	11%	4%	4%	11%	9%	SO3-5
LI	14%	7%	5%	23%	14%	18%	5%	14%	9%	9%	SO1, 4, 6
LU	9%	6%	0%	6%	24%	9%	3%	6%	6%	0%	SO1, 5,6
MT	11%	16%	8%	29%	29%	42%	8%	5%	11%	11%	SO4-6
NL	10%	3%	5%	15%	23%	18%	5%	8%	3%	8%	SO4-6
PL	11%	7%	7%	39%	30%	27%	5%	14%	14%	7%	SO4-6
PT	20%	14%	5%	39%	50%	36%	7%	11%	14%	9%	SO4-6
RO	9%	5%	5%	14%	20%	16%	5%	14%	5%	7%	SO5, 6, 8
SK	9%	26%	24%	24%	26%	30%	4%	9%	11%	9%	SO2, 5, 6
SI	12%	17%	5%	19%	26%	14%	5%	7%	5%	10%	SO2, 3, 5
ES	16%	32%	9%	45%	52%	43%	9%	23%	23%	20%	SO2, 4, 5
SE	15%	18%	15%	33%	41%	33%	18%	13%	23%	13%	SO4-6
EU-27	14%	12%	9%	25%	28%	27%	6%	12%	12%	9%	SO4-6

Source: Project team, based on DG AGRI, SFC (January 2023); Note: percentages may exceed 100% as a single RI may contribute to multiple SOs

The individual CSPs of the respective Member States form tailored toolboxes through the selected interventions, often complemented by external policy tools to address their specific needs. Based on findings of the relevance of funding and interventions (see section 4.1.2), the relevance of the target values (see section 4.1.3), and complemented by overall funding allocations (see section 3), the project team identified the main contributions per SO across the CSPs.

SO1 ensuring a fair income for farmers: Major contributions to this SO are made particularly through the use of BISS, representing the single-largest EU-funding allocation across all CSPs, except for AT, FI, SI, LU and MT. Only 11 out of 28 CSPs foresee capping and degressivity (see section 3.2.2). The use of redistributive payments (sections (c) and (d)) also target relevant needs in the respective Member State, with differences in eligibility requirements largely specific to farm structure. However, the degree to which this translates to a fairer income distribution among farms remains to be assessed. Small farmer payments are only implemented in five CSPs (MT, LV, PT, BG and CZ). While directly targeting income needs among farmers, the high funding allocation towards BISS also limits the available funding to target relevant needs outside of this SO.

SO2 fostering competitiveness: Investments (Article 73) contribute strongly to this SO, with approximately 60% of investments targeted at the competitiveness of the agricultural sector (see section 3.4). This is in line with identified needs across many CSPs, in particular structural needs related to farm productivity. In addition, the implementation of risk management tools (Article 76) in 14 CSPs may also contribute to this SO by mitigating the impacts of external on farmers.

SO3 improving the position of farmers in the food chain: Contributions to improving the position of farmers in the value and food chain may be supported via sectoral interventions (see section 3.3). However, expenditure under these interventions is relatively concentrated among some CSPs, in particular NL, BE (WA and FL), IT, PT, ES and CY, with the remaining CSPs allocating comparatively less (as a share of total public funding). As such, contributions stemming from the CAP may be comparatively stronger in a more limited set of Member States.

SO4 climate change action, SO5 sustainable development and environmental care and SO6 preservation of landscapes and biodiversity: With a mandatory funding concentration along eco-schemes and environmental climate-related and other management commitments (Article 70) under rural development, a share of budgets for these two SOs are expected for most CSPs. However, the extent of the contributions depends on the ambitiousness and uptake of the eco-schemes during implementation. In addition, 25% of EAFRD funding under Article 73 and 74 are earmarked for environmental objectives (see section 3.4), with relatively larger contributions expected in DK, IE and ES. Finally, the ANC and ASD (see section 3.4) may also contribute towards SO4-6.

SO7 supporting generational renewal: With allocations towards young farmer payments (Article 30) within the direct payments across 26 CSPs (see section (d)) and under rural development for 27 CSPs (see section 3.4), contributions are expected to foster generational renewal in the agricultural sector. In the case of AT, IT and FR, generational renewal support is also extended outside of agriculture and forestry under Article 75.

SO8 vibrant rural areas: Contributions to this SO are mostly made via rural development interventions, namely via support under investments and cooperation (Article 73 and Article 77, see section 3.4). Investments for rural development are particularly well-funded in MT, BG and FI. LEADER under Article 77 is a major avenue to target rural development needs, with 12 CSPs allocating more than 7% of total public funding. However, the broad range of needs, the wide range of potential recipients and the overall low funding of interventions under SO8, poses the risk of a wider diffusion and correspondingly lower impact.

SO9 protecting food and health quality: The contribute to SO9 across the CSPs varies, with major contributions made by sectoral interventions, eco-schemes targeting animal welfare (such as in 11 CSPs) and investments into animal welfare. However, contributions are expected to be relatively lower than for other SOs, among other reasons, due to the lower number of interventions targeting this SO (see Table 8).

CCO fostering knowledge and innovation: Contributions to this SO are expected to be made primarily via rural development interventions under Article 77 cooperation, namely EIP-AGRI and AKIS under Article 78. However, in some CSPs (CY, FI, LV, PT) the funding allocated falls short of identified needs. Furthermore, two CSPs (DK and LU) foresee no interventions targeting CCO. Thus, the overall contributions towards this SO may be relatively more limited.

5.3. Contribution to the European Green Deal

In response to the rising challenges linked to climate change and the current environmental degradation, the European Commission published a communication in December 2019: “The European Green Deal” (EGD), setting ambitious goals for the European Union until 2050.

The transformational agenda of the European Green Deal is implemented through several strategic documents and policies, including the [Sustainable and Smart Mobility Strategy](#) (COM/2020/789 final, 2020), a new [Circular Economy Action Plan](#) (COM/2020/98 final, 2020), the Fit for 55 package (COM/2021/550 final, 2021), [Zero Pollution Action Plan](#) (COM/2021/400 final, 2021), the [Farm to Fork Strategy](#) (COM/2020/381 final, 2020), and the [EU Biodiversity strategy for 2030](#) (COM/2020/380 final, 2020). With respect to the CSPs and the EGD, the Farm to Fork Strategy, and the EU Biodiversity strategy for 2030 are of greatest relevance. These strategies set a series of targets for EU agriculture (see Table 9).

Table 9: EU level targets set under the Farm to Fork and Biodiversity Strategies

Objectives	EU level quantitative target
Nutrient loss	A reduction of 50% in nutrient losses, while ensuring no deterioration on soil fertility. A reduction of at least 20% in fertiliser use by 2030.
Use and risk associated with pesticides	Reduction by 50% in the use and risk of chemical pesticides by 2030. Reduce by 50% the use of high-risk pesticides.
Sales of antimicrobials	A reduction by 50% in the sales of antimicrobials for farmed animals and in aquaculture by 2030.
Area under organic farming	Achieve 25% of total farmland under organic farming by 2030.
High diversity landscape features	Achieve at least 10% of agricultural area under high-diversity landscape features.
Access to fast broadband internet	Accelerate the roll-out of fast broadband internet in rural areas to achieve the objective of 100% access by 2025

Source: Farm to Fork Strategy (COM/2020/381 final, 2020), and the EU Biodiversity strategy for 2030 (COM/2020/380 final, 2020)

The CAP will mostly contribute to the EGD by orienting the food and agriculture practices towards valuing, protecting, and restoring the natural eco-system, ensuring a sustainable use of resources and improving the human health (European Commission, 2020). A key commitment is the “no backsliding” principle of the CAP (Article 105 Regulation (EU) 2021/2115) on increased ambition with regard to environmental and climate-related objectives compared to the former programming period. The enhancement of the performance-based aspects of the CAP via the PMEF may also contribute to assess the CAP’s contribution to the EGD, for direct payments and rural development, as well as sectoral interventions and not only at the end of the MFF but throughout its implementation, potentially enabling correcting measures.

With agriculture, the climate, and state of European biodiversity intrinsically interlinked, the CAP has a unique role in supporting EGD targets. However, even in 2020 the ambition reflected in the CAP proposals to contribute to the EGD was lacking (Guyomard et al., 2020). While the new CAP includes tools to address the challenges of the climate and biodiversity crises, relying on this architecture alone is not sufficient to address the crises faced (Pe’er et al 2022). Further, Member States showed little willingness to engage in the substantial shifts necessary to mitigate impacts (ibid). This is also exemplified by the character of the CAP 2023-2027 with its focus on mitigating economic needs of farmers (see section 4.1.1).

Additional concerns raised by stakeholders deal with the CSPs’ capacity to deliver the objectives of the Green Deal: many Member State targets are set too short and below EGD targets. This is particularly the case for organic farming (Becker et al., 2022) with insufficient ambition across most Member States (IFOAM, 2022). Other interventions and instruments could also be in place to support organic farming (through investment support for example, training and advisory services, the EIP, and others). However, the CSPs do not systematically deal with the implementation of these measures (via selection measures

for example) which make it difficult to assess the overall support for organic farming (Becker et al., 2022).

In regards to the conditionality, some concerns relate to the fact that it is in the responsibility of the Member States to set, at national or regional level, minimum standards for each GAEC standard (Article 13 (1)). This results in a trade-off situation where the more ambitious the implemented standards are, the weaker the income effects for direct payments and the narrower the scope for the voluntary environmental measures (Becker et al., 2022,).

The potential of European agricultural systems to capitalise on carbon farming is high (Andrés et al., 2022; McDonald et al., 2021). However, uptake among the Member State is limited and rests on voluntary schemes rolled out as part of the eco-schemes and the AECM.

Nearly all Member States have provided explanation on CSPs contribution to Green Deal strategies. Yet, certain issues prevail that can affect the contribution of the draft CSPs to the EGDs according to the Commission Observation Letters provided in response to the draft CSPs. These concern the inclusion of national values for all relevant fields, the ambition of the targets described, the quality and feasibility of the explanations provided, and the sufficiency of financial allocations (European Commission, 2022b).

- Quantified national values: **The most prevalent issue is the lack of information in the CSPs on the quantified national values for all Green Deal targets contained in the Farm to Fork Strategy** (COM/2020/381) and the **Biodiversity Strategy** (COM/2020/380 final). National values support a non-binding commitment by Member States and enable monitoring progress. Certain aspects, such as organic farming, and broadband access, are much more often addressed than others, such as nutrient loss, pesticide, and antimicrobials (see Table A.14).
- Ambition of the national values: The degree of ambition in meeting EGD objectives is heterogeneous across Member States, **yet a low level of ambition is seen in almost all CSPs for at least one or more national target** (including, BE-FL, BG, CY, CZ, DK, EE, ES, FR, HU, HR, IT, MT, PL, PT, RO, SI, SK). This has the potential to pose a challenge to the achievement of EGD targets.
- Quality and feasibility of the interventions: There is a great deal of variation in quality and feasibility across CSPs. While a lack of quality in the explanation of measures is observed in some CSPs, in others, measures are well elaborated. The EGD goals most often requiring additional elaboration are nutrient loss, pesticides, and the sale of antimicrobials.
- Financial allocations: Financial planning within the CSPs was seldomly target oriented, but rather focused on identification of the sources of funding that were already planned or in process of execution. Inadequate funding allocation to address Green Deal goals were identified in several CSPs (including, HR, IT, NL, PL, FR). For example, in the NL, while contributions to broadband are considered sufficient, they are lacking in the areas of preventing nutrient loss, reducing pesticides, supporting high diversity landscapes, and increasing organic farming.

The agriculture sector is a key contributor to **nutrient losses**, yet most draft CSPs did not contain national values in this field. Certainly, addressing nutrient losses through agricultural policy instruments is complex, and issues including a lack of ambition and clear description of measure are among the most relevant themes. **Only IE and PL established national values in the draft CSPs.** Additionally, proposed interventions in many cases were not sufficiently ambitious especially in relation to improving nitrogen efficiency and reducing nitrogen and phosphorus losses to water (including in HR, FL, BG, EE, MT, PL, SK, DK, and PT).

Pesticide use is similarly a highly relevant EGD with respect to the agricultural sector. The draft CSPs acknowledge the significance in achieving a reduction of the use and risk of chemical pesticides and more harmful pesticides, **although national values are rarely set, the implementation strategies of the envisioned instruments frequently lack clarity, and substantial differences are identified in the scale and approach to the reduction of the use and risks of pesticides.**

The **use of antimicrobials** and the housing conditions of livestock are a prevalent issue within EU agriculture, that can conflict with the aims of the EGD. **A total of four member states provided national values for antimicrobial use in their CSPs** (including BG, CZ, MT, PL). In BE-FL and the NL, the European Commission has encouraged a more ambitious use of the different interventions to further lower the use of antimicrobials, while in MT the root cause of the above EU average sale of antimicrobials is not addressed. In PL, the interventions described are not sufficient and lie largely outside the CAP.

Organic farming is one of the most widely addressed EGD goals in the CSPs. Financial planning and allocations, increasing the ambition of targets, and strengthening market development measures, are among the relevant themes for improving organic farming goals. A total of 24 draft CSPs contain national values for organic farming. In BE-WA, EE, IT, and MT targets are ambitious and meet EGD goals, yet more details are required on the instruments and how they will meet targets. While, in EE and PL planned financial allocations are insufficient. On the other hand, the ambition of the targets is low in BG, HR, IE, RO, and SK. Finally, in the NL, EL, HR and RO, no national targets are established.

The CSPs have mixed efforts in supporting an increase in the percentage of **high-diversity landscape features** among investigated Member States. BE-FL, EE, HR, HU, IE, LT, MT, PL, SK have all provided national values for high-diversity landscape features, yet in four of the cases the ambition of the targets is low (including, in EE, HR, PL, LT, and SL). **On the other hand, 19 of the 28 CSPs did not provide a national value for areas with high diversity of landscape features, and in several cases the plan had a limited ambition** (including in BG, SP, DE).

Broadband infrastructure and fast internet are frequently addressed in the CSPs. Setting national values, providing detailed instruments for reaching a broadband coverage, describing other policy funding, and adequate financial allocation to meet very diverse needs and baselines, are among the most relevant themes identified. A total of ten draft CSPs contain national values on broadband.

Few ex-ante evaluation reports commented directly on the contribution of the CSPs on the EGD. Primarily, contribution was evaluated indirectly through inferences made on the strength of relevant SOs, particularly SO4, SO5, SO6, and the conditionality rules and eco-schemes included in the plans. Conversely, other ex-ante reports viewed the CSPs contribution to the EGD as generally favourable (AT, FL, WA, ES, HR, IT, LI, EE, SI, FI). For example, in BE-WA the ex-ante findings assert that the CSP shows a high degree of ambition in terms of its contribution to environmental strategies, and has in place a large range of appropriate interventions, eco schemes, and environmental measures. In IT, the ex-ante demonstrated that there is a clear and significant link between the CSP and important EU and international environmental policies, including the EGD.

The link between the result indicators and the EGD goals is not completely robust. An analysis of the result indicator target values across EU-27, as seen in Table 10, shows mixed results. As can be seen in Table A.15, more than half of the CSPs did not include a target value for the result indicators for sustainable water use (R.23) and emission reduction in livestock (R.13). More than half of the CSPs show above average ambitions regarding their organic farming (R.29) in regards to sustainable nutrient management (R.22). A further 13 CSPs show ambition to the sustainable and reduced use of pesticides use (R.24). However, only nine CSPs display significant ambition to the preservation of habitats and species (R.31).

Table 10: Selected result indicators and EGD contributions

Result indicator	EU-average target value	Above average target setting	Below average target setting
R.22 Sustainable nutrient management (<i>Share of UAA under supported commitments related to improved nutrient management</i>)	15.2%	CSP: 18/28 AT, BE-FL, CY, CZ, DK, EE, FI, DE, HU, IE, LV, LI, LU, NL, PL, SK, SI, SE	CSP: 10/28 BE-WA, BG, HR, FR, EL, IT, MT, PT, RO, ES
R.24 Sustainable and reduced use of pesticides (<i>Share of UAA under supported specific commitments which lead to a sustainable use of pesticides</i>)	26.6%	CSP: 13/28 AT, BE-WA, CY, EE, FR, DE, EL, IT, LV, LU, PT, SK, SI	CSP: 15/28 BE-FL, BG, HR, CZ, DK, FI, HU, IE, LI, MT, NL, PL, RO, ES, SE
R.29 Development of organic agriculture (<i>Share of UAA supported for organic farming</i>)	10%	CSP: 18/28 AT, BE-WA, HR, CZ, DK, EE, FI, FR, DE, EL, IT, LV, LI, LU, PT, SK, SI, SE	CSP: 10/28 BE-FL, BG, CY, HU, IE, MT, NL, PL, RO, ES
R.31 Preserving habitats and species (<i>Share of UAA under supported commitments for biodiversity conservation or restoration</i>)	30.6%	CSP: 9/28 CZ, EE, FI, FR, DE, IE, LU, NL, SK	CSP: 19/28 AT, BE-FL, BE-WA, BG, HR, CY, DK, EL, HU, IT, LV, LI, MT, PL, PT, RO, SI, ES, SE

Source: Project team, based on DG AGRI SFC (January 2023); Note: a more comprehensive overview can be retrieved in Table A.15.

5.4. Incorporation of European Commission recommendations and observation letters

Following the new delivery process of the CAP (see section 2.3), the development of the CSPs was supported by structured dialogues between the Managing Authorities of the Member States and the European Commission DG AGRI. During this dialogue, the European Commission emitted written advice at two points: publishing non-binding recommendations and later issuing observation letters evaluating the draft CSPs.

Recommendations as a common baseline to the drafting of the CSPs

DG AGRI notes a high degree of uptake among the Member States who deemed them helpful for the development of their SWOTs and interventions, as they were based on the common context indicators. The recommendations were also communicated via dedicated events with representatives of the Member States to enable a wider discussion. In terms of meeting these recommendations, Member States also used various other national and EU policies outside of the framework of the CAP to address recommendations.

Changes in funding allocation between draft and final CSPs

The project team assessed the changes between the draft and final CSPs by contrasting the findings of Becker et al (2022) on the distribution of funding with the final distribution according to the approved CSPs. The differences between the two are reported in Table 11 and Table 12.

Comparing the funding allocation between draft and approved CSPs reveals a series of changes as a result of the negotiation processes. In the case of direct payments and sectoral funding (see Table 11), significant⁴⁸ changes across the majority of CSPs remain limited.

- The funding allocation most frequently adapted are sectoral interventions, BISS and the eco-schemes, with strong reductions in funding allocation for most CSPs in sectoral interventions.
- In terms of BISS, significant changes are observed in EL, HU, MT, RO, DE, and SE, with all but RO and DE decreasing the relative share of funding allocated towards BISS. This can also be observed for the eco-schemes, with the relative share of allocated funding significantly decreasing in EL, NL, and AT, and increasing in CY, LU, MT and RO.
- The CRISS and YF payments (with their comparatively lower funding allocation) saw significant changes between the draft and approved CSPs in selected Member States. This is particularly visible for CRISS in the cases of significant positive changes in LV, HU, NL, SI, FI, and for negative changes in CY. In the case of YF, significant re-allocation away from the instrument occurred for LU, NL, RO, with more funding allocated in MT and FR.
- The funding allocation towards CIS only significantly changed for two CSPs, namely EL (increase) and ES (decrease). The changes identified in the CSPs in light of the Russian Invasion of Ukraine highlight increased justification of the use of CIS (see section 4.1.4) as a response to associated economic shocks.

Funding re-allocation (total public funding, including national co-financing) between draft and approved CSPs changed more fundamentally for rural development interventions (see Table 12). Significant decreases in allocated funding between draft and approved CSPs were observed for HU and LU, respectively reducing allocated funding across the board by 58.9% and 30.6%, followed by approximately 6% in FR and NL. Conversely, significant increases can be observed for ES, IT, and CY, respectively increasing total public funding by 14.7%, 7.5% and 5.3%.

Table 11: Change (%) in the direct payment and sectoral intervention funding between draft CSPs and approved CSPs

	21 – BISS	29 – CRISS	30 – YF	31 – Eco-scheme	32 – CIS	Sectoral interventions	Total Direct Payment
BE	0.0%	0.2%	0.0%	0.3%	0.0%	-98.8%	0.1%
BG	0.0%	14.6%	0.0%	0.0%	0.0%	6.8%	1.5%
CZ	-1.6%	0.0%	0.0%	0.0%	0.0%	-29.3%	-0.5%
DK	0.0%			0.0%	0.0%	-93.8%	0.0%
DE	5.8%	0.0%	0.0%	0.0%	0.0%	-45.9%	3.4%
EE	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
IE	0.0%	0.0%	0.0%	0.0%	0.0%	-98.5%	0.0%
EL	-4.5%	1.7%	0.0%	-12.7%	15.6%	-19.5%	-3.7%
ES	1.9%	0.0%	0.0%	0.0%	-2.2%	-69.8%	0.6%
FR	2.0%	1.6%	16.9%	1.6%	1.6%	-38.2%	2.0%

⁴⁸ Changes of budget between the draft and approved versions of the CSPs amounting to 5% or more are denoted as “significant” in this section.

Comparative analysis of the CAP Strategic Plans and their effective contribution to the achievement of the EU objectives

	21 – BISS	29 – CRISS	30 – YF	31 – Eco-scheme	32 – CIS	Sectoral interventions	Total Direct Payment
HR	0.1%	0.1%	0.1%	0.1%	0.1%	14.6%	0.1%
IT	0.7%	0.0%	0.0%	-0.9%	0.6%	-44.9%	0.2%
CY	3.7%	-40.0%	-0.3%	9.6%	0.0%	-10.7%	0.0%
LV	-2.1%	14.0%	0.0%	0.0%	0.0%	-44.8%	0.0%
LT	-2.5%	0.0%	0.0%	4.1%	0.0%	-30.9%	0.0%
LU	0.6%	0.0%	-12.0%	7.8%	0.0%		1.8%
HU	-6.9%	40.4%	0.0%	0.0%	0.0%	-10.7%	0.0%
MT	-12.4%		189.5%	29.8%	0.0%	100.0%	0.0%
NL	0.3%	7.2%	-54.0%	26.5%		-99.2%	7.2%
AT	0.0%	-4.2%	-0.2%	-13.8%	0.0%	-30.6%	-2.7%
PL	0.0%	0.0%	0.0%	0.1%	0.0%	-14.2%	0.0%
PT	0.0%	0.0%		0.0%	0.0%	-23.5%	0.0%
RO	9.6%	0.0%	-33.3%	-13.8%	0.0%	-34.5%	0.0%
SI	0.0%	18.2%	0.0%	0.0%	0.0%	-1.7%	0.9%
SK	0.0%	0.0%	0.0%	0.0%	0.0%	-40.4%	0.0%
FI	-3.4%	66.5%	0.0%	0.0%	0.0%	-92.2%	0.0%
SE	-7.8%		0.0%	0.0%	0.0%	-81.0%	0.0%
EU-27	1.1%	3.3%	0.7%	-1.0%	0.8%	-51.1%	0.8%

Source: Project team, based on Becker et al, 2022 for the distribution of funding of the draft CSPs and DG AGRI for approved CSP (January 2023).

On average, Member States re-allocated funding towards Article 70 AECM (see Table 12). Some Member States strongly increased the funding allocation, especially PL, SI, and ES. Reductions in allocated budget are observed especially for LU, HU, and LT. In the case of LT and LU this is compensated by increased funding in the eco-schemes (see also Table 11).

Table 12: Change (%) in rural development total public funding between the draft and approved CSPs

	70 – AECM	71 – ANC	72 – ASD	73-74 – INVEST	75 – INSTAL	76 – RISK	77 – COOP	78 – KNOW	Total EAFRD
BE	3.2%	0.0%	0.0%	-2.4%	0.0%		-1.2%	0.0%	-0.1%
BG	-0.6%	0.0%	0.0%	-0.6%	5.5%	-50.7%	2.5%	44.6%	-1.0%
CZ	0.0%	0.0%	-15.8%	-3.2%	7.3%		0.1%	0.0%	-0.7%
DK	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		0.0%
DE	-3.8%	-0.1%	-0.8%	-1.0%	-69.2%	39.5%	0.1%	14.7%	-2.0%
EE	0.0%		24.0%	1.1%	0.0%	0.0%	-2.0%	0.0%	1.2%
IE	0.0%	0.0%		0.0%			0.0%	0.0%	0.0%
EL	-3.6%	0.0%		6.8%	0.0%		4.3%	0.0%	1.6%
ES	16.4%	8.7%	11.0%	27.2%	6.5%		-4.7%	-20.3%	14.7%
FR	-10.5%	0.0%		1.1%	-3.7%	-41.4%	-1.0%	-7.6%	-6.7%
HR	6.1%	23.9%	0.0%	-2.0%	32.7%	-6.4%	-6.2%	0.0%	4.0%
IT	9.0%	33.4%	-53.2%	6.7%	-14.2%	0.0%	20.0%	6.5%	7.5%
CY	5.8%	-11.7%	-16.7%	9.8%	4.8%		16.2%	57.8%	5.3%
LV	-3.2%		0.0%	3.6%	3.2%	4.2%	-1.4%	0.0%	0.0%
LT	-11.9%	49.4%	44.1%	3.5%	0.0%	0.0%	-9.7%	-14.3%	0.8%
LU	-31.3%	-28.6%	-28.6%	-32.0%	-52.9%		0.0%		-30.6%
HU	-13.1%		-15.8%	-87.0%	-41.1%	-88.4%	-35.0%	-70.9%	-58.9%
MT	13.4%	0.0%		-5.8%	39.2%		-3.8%	0.0%	-1.6%

	70 – AECM	71 – ANC	72 – ASD	73-74 – INVEST	75 – INSTAL	76 – RISK	77 – COOP	78 – KNOW	Total EAFRD
NL	0.0%			-12.9%	29.8%	0.0%	-14.0%	-13.2%	-6.3%
AT	3.5%	0.0%	0.0%	-0.8%	0.0%		3.4%	-1.0%	1.7%
PL	86.5%	-7.0%		-13.3%	0.0%	-58.5%	2.6%	0.0%	2.0%
PT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-6.4%	58.7%	0.0%
RO	0.0%	-3.1%		0.5%	0.0%	0.0%	0.0%	0.0%	-0.2%
SI	30.4%	0.0%	10.4%	-13.2%	0.0%		0.1%	0.0%	1.9%
SK	0.0%	0.0%	-2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FI	0.0%	-0.9%		8.8%	0.0%		0.0%	0.0%	1.5%
SE	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	0.0%
EU-27	2.0%	1.7%	-8.5%	-9.0%	-4.0%	-16.7%	0.1%	-6.8%	-3.2%

Source: Project team, based on Becker et al, 2022 for the distribution of funding of the draft CSPs and the approved CSP (January 2023).

Heterogeneous patterns can be seen for **Article 71 ANC** and **Article 72 ASD**. With respect to ANC, several Member States strongly increased allocated funding (LT, IT, HR) with reductions seen in CY and LU. ASD saw an average reduction of 8.5% across the EU-27, with especially strong reductions in IT, LU, HU and MT, and increases in EE and LT. **Article 73 and 74 Investments** saw most frequent changes in relation to funding allocation, particularly in ES, HU und LU, as well as in NL, PL, and SI. **Article 75** start-up aid saw strong decreases in funding allocation especially for DE, IT, LU, and HU. Several Member States also increased funding allocation, namely HR, MT, and NL. Across the EU-27, the most significant changes in allocated funding were on average in **Article 76 Risk Management**, with strong decreases seen in HU, PL, BG and FR and a strong increase in DE. **Article 77 Cooperation** also saw changes in 21 Member States, with strong increases in funding for HR and IT and pronounced decreases in allocated funding for HU, MT, and LT.

Observations to the draft plans and incorporation of changes into the final plans

The European Commission conducted a detailed assessment of the draft plans and produced observation letters within three months of review. Key observations made by the European Commission highlighted (European Commission, 2022b) a broad necessity to further adjust the submitted draft CSPs, with some needing substantial revisions. The links between SOs and result indicators were most often not clearly defined, with target values and funding allocations not robustly justified. Additionally, strategies for addressing significant needs through external policies, coordination, differentiation, and complementarities with other instruments and/or funds was poorly described in many draft CSPs. Related to the direct payments, the definition of criteria of eligible hectares was also often incomplete in the drafted CSPs.

While dialogue continued after the issuing of the observation letters, the comparison of the budgets of draft and approved CSPs shows that no significant changes occurred based on the observation letters in the most funding intensive interventions (such as the BISS): the majority of the shifts occurred in smaller funding items, especially within rural development.

The Member State replies to the observation letters indicate a relatively lower willingness to implement the at-time more substantial observations made by the European Commission. Several Member States highlighted the subsidiarity principle governing the current CAP period (e.g. NL, DE, FR, SI, SK), with some MS reminding the Commission of the limitation of the legally binding framework (e.g. BG, CZ, HU, LU, LV). Further arguments against strategic changes were the already reached consensus with the national stakeholders (e.g. DE, SK, IE, BE-FL, LV), national particularities explaining certain choices (e.g. MT, CY, HR, SI) and finally the need to approve the CSPs as quickly as possible (e.g. NL, DK, BG, ES, FI, HU, LV).

Overall, the Member States seemed to be ready to streamline, clarify, justify, and even sometimes adapt their intervention logic or indicators, as well as to further describe synergies with national policies, however, not to change the strategic approach of their CSP. Only few stated in their first response an acceptance to rethink their choice of intervention and targets concerning their climatic ambitions (e.g. SI, RO, CY).

Interviews with DG AGRI reveal insights into changes of some interventions included in the CSPs. For example, in the case of SE and FI, the negotiations induced an increased use of redistributive payments which was not originally foreseen. More environmentally sustainable approaches were also applied in DK, FI, LT LV and SE with a shift from crop diversification to crop rotation which aims to reinforce environmental benefits.

This CAP period also observes significant shifts from the use of CAP interventions to target needs to the use of policy instruments outside of the CAP framework, such as national policies and other EU policies. This is also reflected in the degree to which the European Commission observations were addressed by the use of external instruments. The Recovery and Resilience Facility is used to address rural development needs, otherwise under the purview of the CAP in many Member States (IT, PL, or RO). In particular, this includes support to investing in irrigation, digitalisation, broadband and renewable energy.

By covering a significant array of needs via external instruments, some CSPs are relatively more focussed and streamlined. The policy areas often targeted with instruments outside of the CAP include irrigation, broadband, energy efficiency, renewable energy, and forestry. Forestry, in particular, is addressed with external instruments in several plans (SE, FI, PT, BE-WA, BE-FL, IE). Sustainable farming and climate objectives are, at times, also addressed by prominent national programmes, such as in AT, HU, BE-FL and IE. The use of regulatory tools to address specific needs is also an approach used by some Member States, such as ES and FR in the case of animal welfare and pesticides or SE, PT and BE-FL in the case of policies on farm land access.

6. ADDED VALUE OF THE DELIVERY MODEL

KEY FINDINGS

- The PMEF is one of the key elements of new delivery model. The proposed framework is now common to the CAP, allowing for the evaluation of the CAP as a whole. However, the proposed system of indicators appears incomplete for the purpose of evaluating the specific objectives, in particular climate and environmental issues.
- Member States are provided with significant increased flexibility regarding evaluation at national level. However, evaluation might be heterogenous and come too late to support adaptation of the current period and even the post 2027 period.
- Economic sustainability, through income support, remains a major priority of CSPs and the CAP, the latter being distributed more fairly within the framework of mainly area-based support.
- The CAP and CSPs are designed to contribute to a greener CAP through the "green architecture" (conditionality, eco-schemes, AECM and their interlinkages). The level of ambition of CSPs is diverse. The capacity to reach environmental and climate objectives will depend on the actual implementation of eco-schemes and AECM, their uptake by farmers, and the proper application of conditionality.
- CSPs will contribute to a socially more sustainable CAP in agriculture with an emphasis on generational renewal and novelties such as working conditions in the farming sector and animal welfare in the agricultural sector. Support to rural areas beyond the farming sector is mainly provided through LEADER (7.7% of EAFRD) and rural investments (5% of EAFRD).
- The European Commission has introduced comprehensive changes for a simpler and more flexible CAP. However, the new CAP remains complex as a policy that remunerates public goods in particular. These changes are likely to increase costs in the short term in order to adapt administrations and management systems to the new architecture of the CAP at MS level.

The new delivery model based on performance and greater flexibility for Member States in designing interventions is considered by the European Commission as one of the most important novelties of the new CAP. Its main features are described in sections 5.1 and 5.2. The aim of the new delivery model is to focus on results and performance rather than expenditure compliance, and to reflect the level of ambition of the Member States through the national target values associated with each of the CAP specific objectives.

Compared to the previous period, there is a specific challenge to consider: The introduction of the new eco-schemes needs to be monitored closely as they are voluntary for farmers and represents an overall share of 25% of direct payments.

6.1. Making use of the new indicator system

The Performance Monitoring and Evaluation Framework (PMEF; see section 2.2.2) is one of the key elements of the new delivery model. While it still includes four sets of indicators, result and impact indicators are now linked to each of the specific objectives of the CAP (and its performance framework). The output, impact, context and certain result indicators are a continuation of the previous CMEF indicators.

Overall, the PMEF provides an operational framework for monitoring the implementation and coverage of CAP interventions. Compared to the previous period, the PMEF has gained in comprehensiveness and coherence: (1) by proposing a common set of indicators for the entire CAP, allowing the evaluation of the CAP as a whole, (2) by systematically associating result and impact indicators to each of the SOs and by covering new topics such as landscape features, pesticide use, smart villages, antimicrobial use. There are less indicators compared to 2014-2020, but the number of sub-indicators to be provided at the level of output indicators by Member States remains complex but essential⁴⁹. They require a substantial effort from Member States at the beginning of the programming period. But this should allow for detailed data on outputs and beneficiaries, including disaggregated and anonymised data at European level.

However, the proposed system of indicators appears incomplete for evaluating the achievement of specific objectives. **The current climate and environmental related result indicators, expressed in terms of areas under commitment to an environmental topic, do not allow for the assessment the environmental effectiveness of CAP related interventions.**

- Result indicators are expressed in the share of utilised agricultural area (UAA) under supported commitments in relation to different objectives (climate, soil, water, biodiversity etc.). These committed areas are a first necessary element for the evaluation, but they need to be complemented by an assessment of the effectiveness of the individual commitments. Yet, the environmental effectiveness of commitments is not addressed by PMEF indicators.
- Therefore, indicators are missing in the causality chain between the result indicators as defined (share of UAA or beneficiaries, etc.) and the impact indicators. The current result indicators need to be complemented to assess the ambition of the Member States in contributing to overarching CAP objectives captured in impact indicators (e.g. increasing farmland bird population).
- Finally, there is a lack of quantification of specific objectives at EU level (see annex A8).

This is especially prominent for interventions linked to the eco-schemes and the redistributive payments. Result indicators were designed in co-decision with the Member States primarily to serve as clear and operational targets for performance reviews. Thus, result indicators mainly concern the implementation of the CSPs, they inform on the actual coverage and progress of the implementation of interventions. However, result indicators do not consistently contain adequate specificity to capture the effectiveness of the interventions themselves, as several ex-ante evaluations have pointed out (see section 4.1.3). They do not shed sufficient light in the overall chain of causality between outputs and impacts.

Three examples of results indicators in relation to CAP objectives are provided below for illustrative purposes:

- (1) **Fairer CAP:** The indicator “Redistribution to smaller farms”⁵⁰ (R.6), calculated per ha, does not adequately measure the redistributive effect of the CAP which depends also on the distribution of farm size in Member States and sectors. An indicator based on the distribution of income support per beneficiary, such as the new impact indicator I26⁵¹, provides a better assessment

⁴⁹ See [PMEF – output indicators](#): Between 1 to 7 additional aggregates should be provided for each output indicators. E.g. O9. Number of units covered by management tools with 5 aggregates: number of units by interventions, number of beneficiaries covered by insurance schemes, by other risk management schemes, by financial instrument, number of mutual funds covered. And output indicators have to be reported in unit amounts.

⁵⁰ R.6 Redistribution to smaller farms: Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

⁵¹ I.26 Share of support received by the 20% of the largest beneficiaries of the CAP or interquartile range of CAP support

of the redistributive effect and the level of ambition of the Member States, especially since it can be calculated annually and allow for a comparison with the status quo.

- (2) **Greener CAP:** The level of ambition of the eco-schemes is difficult to assess on the basis of the current indicator framework. Most result indicators are areas (or livestock units) under supported commitments (for carbon, biodiversity, soils, water, etc.). No result indicator assesses the climate or environmental effectiveness of the commitment and therefore the actual contribution of the Member States CSP towards achieving the climatic and environmental objectives. In some cases, the value of these indicators is largely determined by schemes accessible to a large number of farmers, covering several objectives whose expected environmental and climate related effect is more limited marginalising more targeted interventions involving changes in practices and strong commitments.
- (3) **Growth and jobs in rural areas.** The target value of indicator R.37 – *New jobs supported in CAP projects* (394,500 jobs) does not reflect the level of ambition of the Member States in rural areas because it includes both jobs created, and jobs deemed to be maintained through support of generation renewal (R36: 376,813 YF). Job creation outside of generation renewal therefore represents less than 18,000 jobs, without LEADER (European Commission, 2023a).

According to the European Commission, the link between result indicators and impact indicators is left to the evaluators (at national or EU level) and will be an important element in the evaluations of the 2023-2027 period.

With respect to the evaluation framework, evaluation works will now be at CSP level covering the entire CAP, which is a significant progress. The new period gives Member States significantly increased flexibility, in contrast to the more constraining common evaluation requirements for the EAFRD in the 2014-2020 period. There are no longer common evaluation questions or timetables, but rather an obligation for Member States to evaluate each specific objective during the 2023-2027 period as laid down in the implementing regulation (EU) 2022/1475, beyond performance review. The evaluation plan remains mandatory for each Member State. However, they are no longer included in the CSPs. Evaluation plans must be submitted to the Monitoring Committee within one year of the adoption of the CSP. This new approach should enable Member States to take ownership of the evaluation exercise by planning their evaluation activities according to their needs and the state of progress of their CSPs. Impact assessment is part of ex-post evaluation scheduled for 2031. However, this is likely to generate different approaches at Member State level, leading to a reduced comparability of evaluation results across EU-27.

This new approach to evaluation, while tailored to the specific needs of the Member States, has some limitations. **First**, it limits the incentives for sharing evaluation and implementation experiences between Member States, as each Member State is free to choose its own approaches and timing of evaluations, even if the European Evaluation Helpdesk has a guiding role including to stimulate exchanges. **Second**, it will probably make it difficult to use this work systematically in evaluations at European level, although the analysis of the causal mechanisms between interventions, results and impacts was already a challenge for 2014-2020 RDP evaluations. **Third**, the evaluations at national level might be heterogeneous and would come too late to support adaptation of the current period. Even for lessons for the post 2027 period, might be affected, especially for the more innovative elements such as the eco-schemes.

6.2. Capacity of the CAP Strategic Plans to contribute to overarching CAP objectives

6.2.1. Economically sustainable and fairer CAP

The analysis of the strategic plans shows that contributing to an economically sustainable CAP is the priority objective widely shared by all the Member States. In most cases, the national CSPs were designed in the continuation of the interventions implemented in the previous period while applying the provisions and interventions towards a fairer CAP. The intention to move to a fairer CAP is explicit, especially supported by the mandatory CRISS and convergence. Some Member States limited their CSP to the mandatory aspects, while others have gone beyond this threshold.

In theory

Specific provisions and interventions are available which promote economic sustainability (such as BISS, CIS, risk management tools, and farm modernisation) and an evolution towards a fairer CAP (CRISS, CIS, convergence, capping and degressivity) in terms of distribution of income support. The latter remains within the framework of an area-based income support.

In practice

The objective of supporting farmers income with direct, mainly area-based support, is still at the heart of the CAP. Direct payments remains prominent, accounting for on average more than 70% of CAP support, while BISS represents on average 51.5% of DP (compared to 54.2% in 2019), however it now includes more redistributive and environmental and climate related aspects. When comparing the two programming periods, in most cases (17 CSPs), the amounts of direct payments change slightly by a few percentage points to 11% due to external convergence and transfers between rural development and direct payment interventions with few exceptions (see section 3.1.1). External convergence has a redistributive effect between Member States and is very explicit for the Baltic States.

CIS has again become more prominent in the CSPs, focusing on coupled support for cattle by many Member States, but also other livestock and crops like protein crops. This has been reinforced further in response to the Ukraine war.

Risk management is addressed in a very heterogeneous way by the CSPs, from not at all to a major coverage of farms with CAP supported risk management tools (FR, IT, and to a lesser extent BG). Several Member States address risk management outside the CAP. Farm modernization is prominent under rural development for some Member States only (AT, BE-FL, DE, FR, IT) with a share of more than 10% to 35% of farms receiving investment support. Better supply chain organization (share of farms in notably in producer organisations⁵² supported by the CAP) is approached in a very heterogeneous way. In AT almost 70% of farms participate in one of these groups, 36% of farms in IT participate, followed by BE-FL (26%), DE (18%), ES (13%), SI (8%) and less than 5% of farms in all the other Member States.

Member States' implementation of redistributive tools varies (CRISS, CIS, internal convergence, capping and degressivity). CRISS, optional in the 2014-2022 period, is now mandatory and has a redistributive effect.

Twelve Member States use one or more of these tools whereas 17 Member States (CY, CZ, DE, DK, EE, EL, FI, FR, HR, HU, IT, LU, MT, NL, PL, RO SE) do not apply either capping or degressivity. The CSPs provide

⁵² R.10 Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP

insights in section 3.4 explaining their approach to a more equal distribution of income support, leading to a nuance of the observations for some Member States. The initial situation of Member States in terms of aid distribution must be considered, explaining the choices made by some Member States.

The effect of a fairer CAP is measured by several PMEF impact indicators (I.2, I.3, I.5, I.26). Since their assessment might come late with the ex-post evaluations (2031), actual income distributive effects should be assessed earlier, by additional result indicators linked to the evolution of income support distribution by farm type and size. A first step is R.6 measuring the redistribution to smaller farms.

6.2.2. Greener (climate and environment)

The CSPs are designed to contribute to a greener CAP. The regulation offers a framework that explicitly guides national CSPs to become greener such as through reinforced conditionality rules and the introduction of eco-schemes. This being said, the CSPs level of ambition is diverse as shown by the indicative typology developed on the basis of PMEF result indicators (see section 3.5). The capacity to reach environmental and climate objectives will depend on the actual implementation of eco-schemes and AECM, their uptake by farmers, their environmental and climate effectiveness, and the application of conditionality.

In theory

The standards and share of budget supporting climate and environmentally friendly farming practices have increased compared to 2014-2020. Conditionality applying to CAP beneficiaries has been partly strengthened while voluntary eco-schemes represent at least 25% of the budget of direct payments, and AECM. Under rural development, at least 35% of the budget is targeted on climate and environment (30% was required in 2014-2020). The regulation explicitly foresees no “backsliding” compared to 2014-2020 (Article 105, Regulation (EU) 2021/2115), mandating the Member States to increase their commitments.

In practice

Climate related practices are considered under conditionality with two specific GAECs (GAEC 1- permanent grassland (previously under greening) and the new GAEC 2 – protection of wetland and peatland). Most Member States’ eco-schemes address climate issues, and this is partly new. In addition, as in the previous period, climate friendly practices are supported AECM, green investments, as well as cooperation and knowledge exchange.

The capacity of CSPs to reach climate related objectives (a reduction of GHG emissions from agriculture) will depend on farmers uptake of the respective eco-schemes and their climate related effectiveness. On a more ad-hoc basis, the limitation of derogations granted by Member States from the planned standards in sensitive areas (permanent grassland, wet and peatland) is also important. According to the indicative clustering based on PMEF result indicators⁵³, 11 Member States have a higher climate ambition than the 16 remaining (BG, CY, DE, EL, ES, FR, HU, IT, LT, MT, PL, PT, RO, SE, SI, SK), based on the selected result indicators only.

Environmental related practices are considered under conditionality, eco-schemes, and in by AECM, areas of specific constraints and green investments, as well as cooperation and knowledge exchange. Environmental standards have been tightened regarding water, biodiversity, and soil to a lesser extent.

⁵³ Share of UAA under commitments to reduce emissions or to maintain carbon storage (R14), share of livestock units under supported commitments (R13), share of farms benefiting from CAP investment support contributing to climate change (R16).

The indicative clustering based on the PMEF result indicators⁵⁴ (see section 3.5), show three relatively ambitious groups and one group of 12 Member States below the EU average for all selected result indicators (BE-FL, BG, CY, ES, HR, HU, IE, IT, LT, MT, PL, RO). *Ex ante* evaluations and observation letters underlined that environmental target setting in CSPs is not consistently ambitious (see chapter 4).

6.2.3. Socially sustainable

Capacity of CSP to contribute to a socially sustainable CAP supporting rural areas

CSPs will contribute to a socially more sustainable CAP with an emphasis on generational renewal, working conditions in the farming sector and animal welfare. Support to areas of natural constraints as well as CIS support for sectors that encounter difficulties (e.g. cattle, sheep and goat). Further support to rural areas beyond the farming sector is mainly provided through LEADER (7.7% of EAFRD) and rural investments (5% of EAFRD). Cooperation might also support EIP operational groups related to rural topics.

In theory

This overarching CAP objective, supported by SOs 7, 8 and 9, has been thematically broadened by the inclusion of new social conditionality for agricultural workers, gender equality measures and reinforced animal welfare. More explicit emphasis is also devoted to generational renewal. Additionally, CIS for agricultural sectors in difficulty, support to farming in ANC, as well as risk management also contribute to a socially sustainable CAP.

In practice

The specific application of the novelties will unfold during implementation (for example, top-up for women, measures for childcare concerning gender, and additional support to new and young farmers). Regarding support for young farmers, there is already a shift from rural development (installation support) to more general direct payments (complementary income support for young farmers).

Indicatively, the expenditure under EU Rural Development policy priority P6⁵⁵ in 2014-2020 is similar to the budget allocated to LEADER and rural investments in 2023-2027, at around 12% of the EAFRD. Thematically, there is a shift towards LEADER. The value and importance of LEADER's distinctive local rural development approach has been recognised (Dwyer et al., 2022), and needs in rural areas will mainly be addressed through LEADER. Beyond LEADER, cooperation might also support rural operational groups as well as rural investments.

6.2.4. Simpler and more flexible

The implementation of the CAP is complex. The need to decrease the administrative burden and ensure ownership and the uptake of the policy by beneficiaries has already been highlighted (European Commission, 2018a). The European Commission has proposed several changes for a simpler and more flexible CAP, such as the new delivery model and the single CSP, including the possibility to transfer funds. In the short term, the changes are likely to increase costs to adapt administrations and management systems to the new architecture of the CAP.

⁵⁴ Share of UAA supported commitments beneficial for soil (R19), the quality of water (R21), for organic farming (R29), for biodiversity (R31)

⁵⁵ P6 Social inclusion and economic development, with P6A (diversification and job creation), P6B (Fostering local development), LEADER, P6C (Access to and quality of ICT)

As for beneficiaries, even if concrete measures may limit administrative burdens, the strengthening of conditionality on the one hand, and involvement in eco-schemes on the other, remains complex and presents an ongoing challenge.

In the CAP 2023-2027, all funds are programmed under a single plan (CSP) against common specific objectives and a common set of result indicators under a single national plan (two in BE) instead of the 118 RDPs existing in the 2014-2020 period for the EAFRD. The combination of interventions (direct payments, sectoral programmes and rural development measures) under a single plan aims to promote a more coherent approach and to avoid offsetting effects. The new delivery model includes an assessment of needs and a SWOT analysis which allows for a clearer intervention logic of the policy, thereby facilitating the monitoring of progress and public money expenditure. (European Commission, 2018b).

In past programming periods, the need to decrease administrative burden, and ensure ownership and the uptake of the policy by beneficiaries has been highlighted (European Commission, 2018a). Considering the number and complexity of instruments (both mandatory and voluntary) to implement the CAP and support public goods, as well as the numerous possible exceptions and derogations, the CAP remains to this day a complex policy at all levels (EU-, national- and beneficiary-level). Remaining challenges include the lack of efficiency in the policy-making process, high administrative costs for both public authorities and beneficiaries, the uptake of technologies, and the risk of farmers exiting the CAP (European Commission, 2018a; Runge et al., 2021). The fact that the new CAP increasingly addresses non-market objectives (compared to the CAP before 2000, focused on production, productivity and income) adds a layer of complexity.

Several challenges were considered by **the European Commission** throughout the last reform process. First, the 2023-2027 CAP aims to foster efforts toward simplification by proposing a new delivery model and a performance-oriented CAP. The new delivery model allows for more flexibility to Member States to choose and design the details of their intervention toward a policy well-adapted to the specific needs of the national and local context. This is considered by the Commission as high potential to increase the effectiveness of policy delivery (European Commission, 2018a).

At EU-level the new CAP aims to support better management and coherence, since eligibility rules are determined at national level. This simpler CAP allows the European Commission to maintain a structured dialogue with Member States throughout its implementation.

However, by introducing public goods on a larger scale, especially in terms of introducing environmental and climate instruments supporting a change in farming practices, the CAP resultantly becomes inherently more complex. Since objectives are included beyond economics, monitoring and evaluation efforts require additional care. The effects of non-market goods are more difficult to isolate and capture. This challenge is notably reflected at **national level** where strong efforts are required to develop appropriate tools to better grasp environmental, climate and social aspects. The cost of monitoring such objectives is expected to be higher at the beginning of the period, particularly for Member States with weaker information systems.

At national-level, the new delivery model and the performance-oriented approach may lead to benefits in terms of increased flexibility. Member States have more flexibility in the design of their approach and instruments. Nevertheless, the new delivery model, while theoretically providing numerous advantages and opportunities to Member States, may also pose a series of challenges. It is indeed recognised that any reform leads to costs, especially at the beginning of the period, as it requires Member States to pursue strong efforts to understand and adopt the new policy (e.g. conditionality and eco-

schemes), train staff, and communicate novelties to relevant stakeholders (European Commission, 2018a).

In addition, since the 2023-2027 period, all CAP funds and interventions are addressed under a single plan, Member States need to integrate the reform within their administration (at national and regional level). Henceforth, current initial costs at national level are to be underlined (collaboration of different parts of the administration in charge of the EAGF and the EARDF, operating at national and regional level in several Member States, adaptation and integration of information systems, etc.).

At beneficiary-level, the integration of both funds under a single framework, and the required digitalisation of application procedures, may be beneficial as it allows farmers to fill out a single online application instead of applying to different funds separately. Furthermore, the single audit approach planned for the 2023-2027 period implies that only national audits of the CSP remain at beneficiary level, with Member States being audited by the European Commission. Nonetheless, the understanding of the new instruments, namely eco-schemes, conditionality and the interlinkages with AECM can be challenging and may hamper the uptake of voluntary eco-schemes and AECM by beneficiaries (Runge et al., 2021). To cope with this threat, strong collaboration with beneficiaries through AKIS, who could bridge information gaps from EU to beneficiary level is required.

6.3. Subsidiarity and CAP common features

Increased subsidiarity allowed Member States to better respond to their needs, giving them the opportunity to progress towards the objectives of a fairer, greener and more social CAP. In order to ensure a minimum coherence, the framework is based on reinforced conditionality, ring-fencing and several mandatory provisions.

Increased subsidiarity concerns especially budget transfers and the wide array of instruments out of which Member States can make their choice according to their needs, in relation to CAP objectives. But when giving more flexibility to the Member State in their implementation, the continues to CAP ensure its alignment with specific CAP and EDG objectives by ring-fencing interventions. For example, 25% of the direct payment funds must be allocated to eco-schemes and 35% of the rural development funds have to be earmarked on the environment and climate. Conditionality and other provisions ensure a common spirit of the CSP. Transfers mainly allow for additional efforts toward environmental objectives, while for 6 Member States convergence is used to increase the unit amount or hectare threshold closer to EU average (see 3.2.3).

Looking exclusively into CAP instruments does not provide the full picture as Member States address rural development and agricultural needs with instruments outside of the CAP. In certain Member States, this is observed for AKIS, risk management, forestry, renewable energy as well as recently broadband and other non-farming rural development investments. For example, IT addresses irrigation with the RRF. With the purpose of simplification in administration, some Member States (DK, LU, NL) address only a more limited set of objectives through the CAP and tackle other important needs through national funds.

Although the new delivery model implies more flexibility and a less prescriptive approach to financial management, the CAP 2023-2027 is still framed around a common set of rules, objectives, indicators and annual financial reporting. This is notably reflected in the Horizontal Regulation, which includes stricter penalties for recurring violations, enhanced reporting obligations and EU audits (Martinot et al., 2022). Hence, increased subsidiarity as applied in the CSP do not put at risk the common features of the CAP.

Regarding the evaluation framework, flexibility should allow member states to conduct evaluations according to their needs. However, fewer requirements for national evaluation are likely to generate different approaches and reduce the comparability and dialogue across the EU (see section 5.1).

State Aid and the CAP

In the agricultural sector, the general State aid rules mentioned in Art. 107, 108 and 109 of the TFEU are not automatically applicable. The European Parliament and Council have decided, on the basis of TFEU Art. 42, that State aid rules shall not apply to support financed by the EU under the CAP in relation to production of and trade in agricultural products listed in Annex I of the TFEU. State aid rules do not apply for measures and interventions partly or wholly financed by the Union. In contrast they apply to support financed by Member States alone, which is increasingly the case under the 2023-2027 CAP.

In addition, the rules on State Aid have been adapted to include the concept of sustainability standards, contributing to environmental, climate change, animal health and welfare objectives. Furthermore, a new Article 210a on vertical and horizontal initiatives for sustainability has been introduced into the CMO Regulation, which stipulates that: *“Article 101(1) TFEU shall not apply to agreements, decisions and concerted practices of producers of agricultural products that relate to the production of or trade in agricultural products and that aim to apply a sustainability standard higher than mandated by Union or national law, provided that those agreements, decisions and concerted practices only impose restrictions of competition that are indispensable to the attainment of that standard”*. For this purpose, ‘sustainability standard’ means a standard which aims to contribute to not only environmental objectives, including climate change mitigation and adaptation, but also, inter alia, animal health and welfare. It is foreseen that the Commission will publish guidelines on conditions for the application of the new Article” (Runge et al., 2022).

7. CONCLUSIONS AND POLICY RECOMMENDATIONS

7.1. Synthesis of analysis results

The new CAP framework introduced a number of changes aimed at increasing overall policy coherence between the use of the budget from the two funds EAGF and EAFRD and the programming of the former Pillar I and II. Member States were asked to commit significant resources to green and sustainable objectives. This was underlined by the introduction of the eco-schemes and the enhanced conditionalities.

The CSP approval process was based on a structured dialogue between the European Commission and Member States. The European Commission developed non-binding recommendations as input for the draft CSPs, based on the CAP context indicators. The draft plans were then assessed against structured criteria, taking into account national specificities. The acceptance of the European Commission's recommendations and observations was relatively high: the non-binding recommendations on issues to support the development of the draft plans were well received. The elements identified in the observation letters had to be addressed by the Member States. This did, however, not result in significant structural changes of the CSPs.

The analysis of the 28 CSPs shows the great diversity and heterogeneity of the approaches adopted by the Member States. However, the direct payments remains very dominant. The main changes compared to the previous period are: (1) the significant increase in redistributive income support due to legal requirements, (2) the increase in the share of coupled income support and (3) the introduction of new voluntary climate and environmental schemes with a wide variety of scopes and approaches.

The distribution of payments also shows the diversity of approaches at EAFRD level. Support to the agricultural sector remains dominant, with clear contributions to food security and agricultural resilience. However, this emphasis is at times to the detriment of meeting non-agricultural rural development needs. Furthermore, the contribution of national funds is very variable at between 12% and 80% of funding via the EAFRD. Environmental and climate measures, risk management instruments and LEADER have been strengthened. At the level of young farmers, there is an overall shift from the rural development to the direct payments and there is now an obligation to implement interventions for young farmers in all Member States. Support for non-agricultural rural development is increasingly provided through LEADER, with relatively less funding allocated for investments outside of farm competitiveness.

The main needs identified in the 28 CSPs emphasise economic and environmental issues. The interventions in the CSPs are largely framed to address the identified needs, with lower ambition for environmental and climate instruments in some Member States in relation to identified needs. There is a clear focus on addressing the economic needs of the agricultural sector, sometimes undertargeting rural development funding and the environment. Environmental needs are broadly addressed in the CSPs, but the level of ambition is not consistently high. Furthermore, due to the funding focus on BISS and the, at times, relatively generous design of the redistributive payments with broad eligibility criteria open to various farm sizes, the impact of the CAP in improving the position of smaller farms is to be seen.

The relevance of the CSPs is high in terms of economic needs and lower for rural development needs across the EU-27 according to a review of the 28 ex-ante evaluations. Some Member States target significant needs outside the framework of the CAP, resulting in lower levels of relevance of individual CSPs in certain areas. This is often the case for rural development investment needs (such as broadband and infrastructure) targeted by RRF interventions, but also for forestry, risk management and AKIS.

Contributions to EGD objectives are mentioned throughout the CSPs, but are largely unquantified and unspecified. The eco-schemes, together with the AECM and conditionality requirements, are likely to generate most of the associated impacts on the EGD objectives. However, the eco-schemes are not consistently ambitious in many Member States.

7.2. Policy recommendations

The project team developed a series of recommendations based on the findings and conclusions of this study. The implementation of this policy framework is still in its early stages. As such, the overall implications of this comprehensive set of reforms may only materialise over the coming years.

- R1: Even though Member States are required to spend 25% of their direct payments budget for eco-schemes as a general rule, they have significant flexibility until 2025 in terms of the funding allocation between the individual eco-scheme measures, with some expected to have higher uptake due to lower requirements and vice-versa. To safeguard achievement of environmental and climate objectives, **the project team recommends increased ambition to support and further raise awareness around the more ambitious eco-schemes** and avoid re-allocating the majority of funding to less ambitious eco-schemes with lower requirements but higher uptake.
- R2: The implementation of new interventions, such as the eco-schemes, can be tied to complexity as administrative systems adapt to new implementation modes. To support the uptake of these new interventions and foster exchange and common learning across the EU-27, **the project team recommends Member States make active use of the EU CAP Network**, in particular to exchange best practices and implementation experiences.
- R3: The programming period of the CAP 2023-2027 is relatively brief, with legislative efforts commencing soon for the post 2027 period. Due to the prominence of the green architecture as part of the CAP 2023-2027 framework, a comprehensive assessment of this architecture is necessary to safeguard robust policy design for the post-2027 period. **As such, it is recommended that the European Commission launches a comprehensive assessment of the implementation of the eco-schemes within the green architecture by 2024.**
- R4: With the CAP 2023-2027, the new evaluation framework gives the Member States more flexibility over when and how they evaluate the CAP Strategic Plans. **The project team recommends that Member States start with the evaluation of the CAP Strategic Plans already during the first years and not only in 2027+,** particularly in the context of evaluating the impact of the interventions. **The findings and recommendations of these evaluations should be used for the design of the 2027+ framework.**
- R5: The result indicators contained in the PMEF are not consistently able to capture the results of the interventions specified in the CAP Strategic Plans, particularly in relation to the green architecture and in relation to the redistributive support. **As such, it is recommended that the evaluation efforts at EU and Member State level feature significant ambition in the assessment of outcomes tied to the interventions.** Furthermore, the **European Commission should provide guidance** to the Member States to assess the interlinkages between results and impacts, including connections to the interventions.
- R6: Several Member States opted to target important needs specified in the CAP Strategic Plans with other policies and tools outside of the CAP. In order to ensure overall policy coherence and contributions to the European Green Deal, **it is recommended that evaluation efforts do**

not only cover the instruments of the CAP Strategic Plans, but also the national and EU policy instruments contributing to these goals.

- R7: This reform devolved significant administrative competences to the Member States, such as via increased flexibility in determining eligibility criteria and a single audit in comparison with the preceding period. Further, the introduction of modern monitoring and control technologies should streamline administrative systems. In order to assess whether this has resulted in actual changes in administrative burden perceived by beneficiaries and authorities, **a systematic EU-27 assessment of administrative burden is recommended** at the latest after two years of implementation of the CAP Strategic Plans. Further, **it is recommended that the outcomes of this assessment are translated into actions to effectively limit burden for authorities and beneficiaries.**
- R8: The systematic monitoring and reporting of environmental and climate commitments beyond the existing PMEF indicators is an essential component to enable follow-up on the contributions of the CAP Strategic Plans. As environmental and climate monitoring can be complex, **it is recommended that the European Commission provides active support to Member States in terms of guidance and good practices, as well as related technical knowledge.**

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ANNEX

A.1 Relevance of the CSPs

Table A.1: Top needs identified in the CSPs

CSP	Main identified needs	Type of need
AT	1) Farm income support and fairer distribution of direct payments	economic
	2) Climate and environmental protection	environment
	3) Sustainable rural development	social
BE-FL	1) Farm income support	economic
	2) Climate and environmental protection	environment
BE-WA	1) Supporting smaller farms and generational renewal	economic
	2) Food autonomy and sustainability	environment
	3) Nature, climate and environmental protection	environment
BG	1) Farm income and competitiveness support	economic
	2) Climate and environmental protection	environment
	3) Generational renewal and rural vitalisation	social
HR	1) Farm income support and fairer distribution of direct payments	economic
	2) Innovation in the agricultural sector	economic
	3) Increase productivity and competitiveness in agriculture and forestry	economic
CY	1) Farm income support	economic
	2) Investments in irrigation systems	economic
	3) Promotion of animal welfare	environment
CZ	1) Fair income support	economic
	2) Surface and ground water protection; water retention	environment
	3) Increase biodiversity and ecological stability of rural areas.	environment
DK	1) Increase economic resilience and incentivise sustainable production	economic
	2) Climate and environmental protection and organic farming	environment
	3) Generational renewal	social
EE	1) Resilience, innovation and diversification in the farm sector	economic
	2) Economic, environmental and social challenges in agriculture and rural areas	all
FI	1) Food security and agricultural productivity	economic
	2) Viable farm income and increased competitiveness	economic
	3) Generational renewal and vibrant rural areas	social
FR	1) Food security	social
	2) Climate and environmental protection	environment
	3) Organic farming and pollution reduction	environment
DE	1) Farm income support	economic
	2) Climate and environmental protection	environment
	3) Water and air quality	environment
EL	1) Modernisation of the agricultural sector	economic
	2) Farm income support	economic
	3) Climate and environmental protection	environment
HU	1) Increased farm competitiveness	economic

CSP	Main identified needs	Type of need
	2) Efficient & sustainable use of resources 3) Innovation	environment economic
IE	1) Farm income support 2) Climate and environmental protection 3) Generational renewal	economic environment social
IT	1) Farm income support 2) Organic farming 3) Support to producers	economic environment economic
LV	1) Farm income support 2) Increased farm competitiveness 3) Development of rural areas	economic economic social
LI	1) Farm income support and fairer distribution of direct payments 2) Climate and environmental protection 3) Generational renewal	economic environment social
LU	1) Farm income support and competitiveness 2) Ensure generational renewal, with special focus on young farmers 3) Climate and environmental protection and organic farming	economic social environment
MT	1) Farm income support 2) Efficient use of resources 3) Climate and environmental protection	economic environment environment
NL	1) Farm income support, risk management and innovation 2) Climate and environmental protection	economic environment
PL	1) Farm income support and fairer distribution of direct payments 2) Climate and environmental protection and animal welfare	economic environment
PT	1) Farm income support 2) Climate and environmental protection 3) Generational renewal and rural vitalisation	economic environment social
RO	1) Farm income support and fairer distribution of direct payments 2) Increase competitiveness of farms and producers 3) Rural development	economic economic social
SK	1) Fairer distribution of direct payments 2) Competitiveness of agricultural sector 3) Restoration of biodiversity	economic economic environment
SI	1) Farm income support and support to competitiveness and productivity 2) Support to areas with constraints and specific sectors 3) Climate and environmental protection	economic economic environment
ES	1) Farm income support 2) Ensuring sustainability and efficient management of natural resources 3) Generational renewal and rural vitalisation	economic environment social
SE	1) Farm income support and competitiveness 2) Generational renewal 3) Reduce pressure on land, air and water	economic social environment

Source: Project team, 2023, based on DG AGRI CSP factsheets

The following table (Table A.2) represents a high-level summary of the ex-ante evaluations undertaken during the programming process of the CSPs. As such, it only summarises key elements the project team and the national experts of this study identified as pertinent in these reports.

Table A.2: Assessment of the relevance of interventions and allocated funding (ex-ante) according to the ex-ante evaluations – summary

CSP	Relevance of the interventions	Relevance of the allocated funding
AT	Moderate relevance: Selection of interventions is deemed largely relevant in relation to identified needs. Lower relevance for interventions under SO8.	Moderate relevance: The majority of funding is allocated to SO1, not fully in line with identified needs. This concentration of funding limits overall impact potential for remaining interventions.
BE-FL	High relevance: The selection of interventions is deemed relevant in relation to identified needs. The final selection of interventions showcases a balanced approach, taking needs related to income support, environment and climate.	Moderate relevance: The allocated funding emphasises farm modernisation and sustainable farming. However, relatively less funding is allocated towards systemic innovation and disruption and addressing climate change needs, with SO4 and SO5 relatively underfunded.
BE-WA	High relevance: The selection of interventions is deemed relevant in relation to identified needs.	Moderate relevance: The allocated funding is deemed relatively in line with needs. However, direct payments (BISS, redistributive payments, young farmers payments) make up a significant share of the overall funding.
BG	Moderate relevance: The selection of interventions is deemed largely relevant. The integration between eco-schemes and the remaining interventions is relatively low. In addition, some needs were not sufficiently addressed (digitalisation, innovation, advisory services, financial instruments for young farmers): SO2, SO7, SO8	Moderate relevance: The allocated funding is deemed relatively in line with needs. However, the funding is spread over a large number of (99) interventions, with some allocated relatively low funding. This distributions risks dispersing support and further consolidation was recommended.
CY	Moderate relevance: The selection of interventions is deemed largely relevant. Lower relevance in SO4 (insufficient interventions for GHG reduction), SO5 (in relation to management of livestock waste), SO6 (overgrazing). Significant mismatch between needs and interventions in SO8.	Moderate relevance: Direct payments are relatively more funded, with no transfers to Pillar II. This risks not addressing demographic renewal (SO7) and innovation needs (CCO).
CZ	Moderate relevance: The selection of interventions is deemed largely relevant in relation to identified needs. Lower relevance for interventions in SO1, SO2, SO8, with some needs unmet.	High relevance: The allocated funding is deemed in line with needs.
DE	Moderate relevance: The selection of interventions is deemed relevant in relation to identified needs. Lower relevance for instruments in SO1 (income disparities), SO4 (long-term environmental needs may not be achieved), SO5 (AECM for water quality are not used across all federal states), SO7 (generational renewal is not relevant).	Moderate relevance: Direct payments are relatively more funded, relatively less funding reserved for rural development measures. Funding allocated to agro-forestry under SO4 may not meet long-term environmental needs; generational renewal is not a relevant need in SO7, as such not needing related funding.
DK	Moderate relevance: The selection of interventions is deemed relevant in relation to identified needs. However, innovation and technology needs remain under addressed.	Moderate relevance: Direct payments are relatively more funded, with too little funding reserved for environmental and climate measures.
EE	High relevance: The selection of interventions is deemed relevant in relation to identified needs. Lower relevance in SO1 (need: pesticides).	Moderate relevance: The allocated funding is in line with identified needs for interventions under SO4 to 9, with lower relevance in other SOs. The allocated funding in SO 2, 6, 8 may not be sufficient to meet set objectives.
EL	Moderate relevance: The selection of interventions in relation to identified needs is less relevant in SO8 (related to rural development needs) and in SO9 (related to sectoral support).	Moderate relevance: The allocated funding is in line with identified needs. However, too little funding is allocated for interventions in SO8.
ES	High relevance: The selection of interventions is deemed to be relevant, in line with identified needs.	High relevance: The allocated funding is in line with identified needs.

CSP	Relevance of the interventions	Relevance of the allocated funding
FI	Moderate relevance: The selection of interventions is deemed to be relevant, in line with identified needs. Lower relevance for needs under SO3 (improving the farmers' position in the vale chain).	Moderate relevance: The main funding emphasis is on support under SO1, SO3, SO4-6. Lower relevance of funding allocation of support for SO8 and CCO (many needs in relation to funding), SO1 (few needs in relation to funding), SO3 (funding not sufficient to target needs).
FR	Moderate relevance: Lower relevance of selected interventions for SO2 (e.g. cost sharing), SO3 (dissemination of knowledge), SO5 (several needs unaddressed, e.g. adaption of forests, added value and quality of products), SO7 (related to generational renewal and training).	Not assessed by the ex-ante evaluation.
HR	High relevance: While capturing relevant needs, interventions under SO4 and SO6 were deemed relatively complex.	High relevance: The allocated funding is in line with identified needs.
HU	Not assessed by the ex-ante evaluation.	Moderate relevance: Over-ambitiousness related to investments in general, but too little funding for investments targeted at rural development needs (infrastructure etc.).
IE	High relevance: The links between the interventions and the needs were deemed as robust. Some needs (e.g. research) are not addressed, as they are funded via national policies.	High relevance: The allocated funding is in line with identified needs.
IT	High relevance: The ex-ante evaluators deem the interventions relevant in relation to identified needs. However, the link between needs and interventions is not consistently detailed for Pillar I interventions. The justification for the use of financial instruments overemphasises financial constraints within farms.	High relevance: The overall allocation of funding is deemed relevant in relation to needs.
LI	Moderate relevance: The evaluators deem the interventions largely relevant in relation to identified needs. However, some 7 out of 45 needs remain (partially) unaddressed by the proposed interventions, as they will be addressed by national policies.	Not assessed by the ex-ante evaluation.
LU	Moderate relevance: The evaluators note lower relevance of the interventions in terms of environmental and climate impact, given the high level of ambition of the targets, particularly in terms of reducing GHG and ammonia emissions.	Moderate relevance: The funding allocation is overall relevant in terms of identified needs. The ex-ante evaluators note a concentration of 70% of funding along direct payments; complementary measures targeting other needs (e.g. related to risk management, AKIS, rural development) are mainly financed via national means.
LV	Moderate relevance: The evaluators note lower relevance of the interventions in SO1 (due to the exclusion of farms below 3ha), and due to unaddressed needs under SO2, SO5, SO7, and SO9.	Moderate relevance: The evaluators note lower relevance in the funding allocation in SO1 (high funding and low targets, insufficient targeting of income disparities) and SO2 (related to the introduction of new technologies), and insufficient allocation towards SO8 and CCO.
MT	Moderate relevance: The evaluators note that the majority of needs are met by the interventions, signalling relevance. Some unaddressed needs are targeted by instruments outside of the CAP, particularly related to access to land and risk management. Needs related to market approaches, supply chain coordination and training remain under addressed.	High relevance: The overall allocation of funding is deemed relevant in relation to needs.
NL	High relevance: The evaluators deem the selection of interventions relevant in relation to identified needs.	Moderate relevance: The ex-ante evaluators provided only a brief assessment, noting a high degree of ambition and overall relevance of the proposed funding allocation. Interventions targeting AKIS remain under-allocated in relation to needs.
PL	Moderate relevance: Lower relevance in SO1-2 due to the emphasis on direct payments, without adequately targeting structural issues (farm modernisation, productivity) in the farming sector. The evaluators also note that	Moderate relevance: The ex-ante evaluators note that the funding allocation does not consistently reflect identified needs.

CSP	Relevance of the interventions	Relevance of the allocated funding
	the need of maintaining food security is not adequately targeted due to the Plan's focus on small, relatively low output-producing farms.	
PT	High relevance: The evaluators note the interventions to be relevant in terms of targeting identified needs, particularly in terms of climate and environmental needs.	Moderate relevance: The evaluators note a concentration of approx. half of the funding in interventions under SO1, with the majority of the remaining funding in SO2, 5, and 6. The remaining interventions (e.g. CCO) may be under allocated in terms of funding
RO	High relevance: The evaluators deem the interventions relevant in relation to identified needs.	Moderate relevance: The evaluators deem the budget allocation relevant. However, the evaluators note overfunding in relation to needs for interventions in SO1 and underfunding for interventions in SO3 and SO8.
SE	Moderate relevance: Relevance is lower in SO1, SO2, SO6, SO8, SO9, CCO, as the interventions do not target all needs or links remain inconclusive.	Moderate relevance: The evaluators note lower relevance of the funding for interventions in SO1 (in relation to supporting food security) and SO8 (underfunding of LEADER).
SI	High relevance: The evaluators deem the interventions relevant in relation to identified needs. The selected interventions are able to capture national specificities, especially under SO6 and SO8. Further, an increased level of ambition was noted for environmental and climate interventions, e.g. in SO4.	Moderate relevance: The evaluators note the allocated funding as relevant. Needs unaddressed via CSP funding in SO6, SO7 and SO8 are covered by other policies, such as the ERDF.
SK	Moderate relevance: The evaluators note missing links between interventions and identified needs.	Moderate relevance: The ex-ante evaluators note that the funding allocation does not consistently reflect identified needs.

Source: Project team, 2023, based on ex-ante evaluations; final judgement (in bold) of relevance extrapolated from ex-ante findings

The following table represents a high-level summary of the ex-ante evaluations undertaken during the programming process of the CSPs. As such, it only summarises key elements the project team and the national experts of this study identified as pertinent in these evaluations.

Table A.3: Assessment of relevance of RI target values as collected from the ex-ante evaluations – summary

CSP	Relevance of target values
AT	-
BE-FL	Moderate relevance: Relatively low target values for RI linked to organic farming, animal welfare, antibiotics reduction.
BE-WA	Moderate relevance: Target values are largely relevant, with too low commitment in RI linked to UAA committed to biodiversity protection.
BG	-
CY	Moderate relevance: Target values of R.3 and R.16 are not fully relevant under SO2, including link established to SO; R.10 and R.11 under SO3.
CZ	Moderate relevance: Target values are largely relevant, but higher ambition is recommended for RI under CCO.
DE	High relevance: Target values are relevant.
DK	High relevance: Target values are relevant.
EE	Moderate relevance: Target values largely relevant. Lower relevance in SO3, as target values are set relatively high in relation to needs.
EL	High relevance: Target values are relevant.
ES	High relevance: Target values are relevant.
FI	High relevance: Target values are largely relevant. Lower relevance in SO3 (R.10, R.11, R.36), as target values are set relatively high in relation to needs.
FR	High relevance: Target values are relevant.

CSP	Relevance of target values
HR	Target values are largely relevant. However, target values for SO4-6 are not comprehensively justified. Achievement of RI targets related to rural development is noted to be more difficult due to relatively higher implementation risk of these types of more dynamic instruments.
HU	High relevance: Evaluators note ambitious targets with risk of under-achievement. (The RD33b_G17_AMR_70; DP17_G01_ECOS_16; RD19_G01_AEC_70; RD20_G02_OR_T_70)
IE	High relevance: Target values are relevant.
IT	High relevance: Target values are relevant.
LI	Moderate relevance: Target values are largely relevant, with cases of relatively low target setting.
LU	Moderate relevance: Target values for indicators are largely relevant. However, contributions from instruments under SO4-6 to related indicators will likely overemphasise contributions from eco-schemes with high accessibility over more comprehensive, targeted eco-schemes.
LV	Moderate relevance: Target values are relatively low, particularly in SO1 (R.6, R.7), SO2 (R.9), SO8 (R.38, R.42). Unclear definition in relation to EGD targets for RI in SO4, SO6, SO9.
MT	Moderate relevance: Target values are largely relevant, with cases of relatively low target setting for selected RI.
NL	-
PL	High relevance: Target values are relevant.
PT	Moderate relevance: Target values of the RI are largely realistic, however not necessarily ambitious in 15 cases. In two cases (R.1 and R.13) the target setting was overambitious.
RO	High relevance: Target values are relevant.
SE	Moderate relevance: Target values are assessed as relevant, with the exception of the intervention “Investment aid for diversification and development of the food chain”.
SI	-
SK	Moderate relevance: Lower degree of relevance for target values due to low degree of ambition in relation to identified needs for SO4 (R.12, R.13, R.14, R.16), SO5 (R.20), SO6 (R.34).

Source: Project team 2023, based on ex-ante evaluations; final judgement (in bold) of relevance extrapolated from ex-ante findings

Table A.4: Overview of key adjustments

CSP	Adjustment of instruments	Description
AT		No significant changes identified.
BE-FL	x	Changes in needs assessment to account for increased risk borne in agriculture and horticulture. This will be mitigated by use of risk management tools inside and outside of CAP.
BE-WA		Difficulty in meeting GAEC 8 noted. Minor references to the war included.
BG	x	The Plan notes the necessity to employ risk management tools, also due to the war.
CY	x	Adjustments to coupled support to account for the increased cost of animal fodder.
CZ		General references to the war included.
DE	x	Reduction in fertilisers: EAFRD funding under SO9 supports organic farming. General references to the war included.
DK		No significant changes identified.
EE		No significant changes identified.
EL	x	Justification of use of coupled support (e.g., for fodder legumes and forage crops – in particular maize). General references to the war included.
ES	x	Justification of use of coupled support (e.g., cattle farming, sheep and goat dairy). General references to the war included.
FI	x	Justification of use of coupled support (e.g., cereals). General references to the war included.
FR	x	Use of risk management tools (e.g., beet farmers).
HU		Minor references to the war mentioned.

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CSP	Adjustment of instruments	Description
HR	x	Use of risk management tools, justification of use of coupled support (e.g., protein crops). General references to the war included.
IE		General references to the war included.
IT		General references to the war included.
LU		No significant changes identified.
LT	x	Justification of use of coupled support (e.g., dairy cows, beef cattle, sheep and goats, protein crops, berry/nuts) Comprehensive references to war included.
LV	x	Justification of use of coupled support (e.g., potato, barley) Comprehensive references to war included.
MT	x	Justification of use of coupled support (e.g., land-based horticultural producers, dairy cows), justification for support in irrigation investments, justification for support in cooperation. General references to the war included.
NL		No significant changes identified.
PL	x	Justification of use of coupled support (dairy cows, legumes, sheep, goats, sugar beets). Comprehensive references to war included.
PT		No significant changes identified.
RO		Difficulty in meeting GAEC 8 noted. Minor references to the war included.
SE		No significant changes identified.
SI		No significant changes identified.
SK		No significant changes identified.

Source: Project team, 2023; Note: these were extracted via machine reading from the 28 CSPs and may not be fully exhaustive.

A.2 Interventions, output indicators and financial modalities of the CAP 2023-2027

Table A.5: Financial management and output indicators – direct payments

Instrument	Financial management	Output indicators
Basic income support for sustainability (BISS) (Articles 22-27)	All Member States have to provide area-based payments per eligible hectare at a uniform rate (which may be adjusted subject to territorial specificities) to active farmers.	O.4 Number of hectares benefitting from basic income support
Complementary redistributive income support for sustainability (Articles 29 & 30)	All Member States have to provide redistributive income support (area-based payment) from larger/medium-sized holdings to small farms. Support per hectare may not exceed national average amount planned for direct payments. Income support needs to amount to at least 10% of annual funding specified in Annex 9 per Member State.	O.7 Number of hectares benefitting from redistributive income support
Eco-schemes (Article 31)	Support takes the form of annual payments for eligible hectares. These may be disbursed additionally to basic income support or to compensate farmers for additional costs incurred/income foregone. Payments have to be at least 25% of amounts specified in Annex 9: – subject to a reduction to 6.25% if AECM support is at least 150% of minimum eco-schemes allocation; – subject to reduction to 12.5% if 30% of EAFRD funding is reserved for sustainable funding and AECM (Articles 70, 72, 73 and 74).	O.8 Number of hectares or of livestock units benefitting from eco-schemes
Payments for small farmers (Article 28)	Payments may be granted as a lump-sum or as an area-based payment. Funding may not exceed EUR 1,250 per year per farmer.	O.5 Number of beneficiaries or hectares benefitting from payments for small farmers
Complementary income support for young farmers (Article 30)	Payments may take form of lump-sum payment or area-based payment. Further, Member States can decide to cap payments received.	O.6 Number of hectares benefitting from complementary income support for young farmers
Voluntary coupled income support (Articles 32-40)	Coupled income support takes the form of annual payment per hectare/animal. Specific rules for BG, EL, ES, PT to implement area-based payments for cotton crops. A maximum of 13% of the amounts set out at Annex IX may be disbursed via coupled support. This may be exceeded if coupled income support was higher in the 2014-2020 period, subject that this 2014-2020 funding volume is not exceeded.	O.10 Number of hectares benefitting from coupled income support O.11 Number of heads benefitting from coupled income support
Horizontal	/	O.3 MO Number of CAP support beneficiaries O.34 MO Number of hectares under environmental practices

Source: Regulation (EU) 2021/2115.

Table A.6: Financial management and output indicators – rural development

Instrument	Financial management	Output indicators
<p>Environment, climate-related and other management commitments (ACEM, Article 70)</p>	<p>Payments have to be made on basis of additional costs due to standards or income foregone. Payments have to be granted annually; in justified cases they may be granted as singular payments per unit.</p> <p>For agri-environment-climate commitments/commitments to convert to or maintain organic farming practices and methods Member States may use payments per hectare.</p> <p>Payments may take the form of:</p> <ul style="list-style-type: none"> – Reimbursements – Unit costs – Lump sums – Flat-rates <p>Total financing must account for at least 35% of EAFRD contributions, together with Articles 71 and 72, and investments targeting sustainability within Articles 73 and 74⁵⁶.</p> <p>The EAFRD contribution amounts to at least 80% of eligible expenditure.</p>	<p>O.14 Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements</p> <p>O.15 Number of hectares (forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements</p> <p>O.16 Number of hectares or number of other units under maintenance commitments for afforestation and agroforestry</p> <p>O.17 Number of hectares or number of other units benefitting from support for organic farming</p>
<p>Natural and other area-specific constraints (Article 71)</p>	<p>Payments should be made in order to compensate beneficiaries for all or part of the additional costs and income foregone related to the natural or other area-specific constraints in the area concerned. Payments are to be granted annually per hectare of agricultural land.</p> <p>The maximum support amounts to 65% of eligible expenditure, for the concerned areas.</p> <p>Payments may take the form of:</p> <ul style="list-style-type: none"> – Reimbursements – Unit costs – Lump sums – Flat-rates <p>Total financing must account for at least 35% of EAFRD contributions, together with Articles 70, 71 and 72, and investments targeting sustainability within Articles 73 and 74.</p> <p>The EAFRD contribution amounts to at least 65% of eligible expenditure.</p>	<p>O.12 Number of hectares benefitting from support for areas facing natural or other specific constraints, including a breakdown per type of area</p>
<p>Area-specific disadvantages resulting from certain mandatory requirements (Article 72)</p>	<p>Payments should compensate for all or part of the additional costs and income foregone related to area-specific disadvantages in the area concerned, including transactions costs. Payments be granted annually per hectare of land.</p> <p>Payments may take the form of:</p> <ul style="list-style-type: none"> – Reimbursements – Unit costs – Lump sums – Flat-rates <p>Total financing must account for at least 35% of EAFRD contributions, together with Articles 70, 71 and 72, and investments targeting sustainability within Articles 73 and 74.</p>	<p>O.13 Number of hectares benefitting from support under Natura 2000 or Directive 2000/60/EC</p>

⁵⁶ Please note that only 50% of the Article 71 funding counts towards this 35% minimum.

Instrument	Financial management	Output indicators
<p>Investments (Article 73)</p>	<p>Support may be provided via grants or via financial instruments.</p> <p>Support should not exceed 65% of eligible costs, with the following exceptions:</p> <ul style="list-style-type: none"> – Investments in the environment and animal welfare, for young farmers and in outermost regions can be supported up to 80% of eligible costs – Investments for small farms can reach up to 85% of eligible costs – Certain investments (forestry, emergency, basic services, non-productive CLLD) can reach up to 100% of eligible costs <p>Investments supporting young farmers have to exceed the minimum amounts specified in Annex 12 across all instruments.</p> <p>Total financing must account for at least 35% of EAFRD contributions, together with Articles 70, 71 (with funding dedicated to Arti. 71 only counting 50% towards the 35%) and 72, and investments targeting sustainability within Articles 73 and 74.</p>	<p>O.18 Number of livestock units benefitting from support for animal welfare, health or increased biosecurity measures</p> <p>O.19 Number of operations or units supporting genetic resources</p> <p>O.20 Number of supported on-farm productive investment operations or units</p> <p>O.21 Number of supported on-farm non-productive investment operations or units</p> <p>O.22 Number of supported infrastructure investment operations or units</p> <p>O.23 Number of supported off-farm non-productive investment operations or units</p> <p>O.24 Number of supported off-farm productive investment operations or units</p>
<p>Investments in irrigation (Article 74)</p>	<p>Investments are only supported if the Member State has submitted a river basin plan for the area of effect.</p> <p>Support may be provided via grants or financial instruments.</p> <p>Support is limited to:</p> <ul style="list-style-type: none"> – 80% of eligible costs for on-farm investments if the investment leads to water saving or increases water quality; – 100% of eligible costs for off-farm infrastructure; – 65% of eligible costs for other irrigation on-farm investments. <p>Total financing must account for at least 35% of EAFRD contributions, together with Articles 70, 71 and 72, and investments targeting sustainability within Articles 73 and 74.</p>	<p>O.18 Number of livestock units benefitting from support for animal welfare, health or increased biosecurity measures</p> <p>O.19 Number of operations or units supporting genetic resources</p> <p>O.20 Number of supported on-farm productive investment operations or units</p> <p>O.21 Number of supported on-farm non-productive investment operations or units</p> <p>O.22 Number of supported infrastructure investment operations or units</p> <p>O.23 Number of supported off-farm non-productive investment operations or units</p> <p>O.24 Number of supported off-farm productive investment operations or units</p>
<p>Setting-up of young farmers and new farmers and rural business start-up (Article 75)</p>	<p>Support may take the form of financial instruments or grants or both. Support is limited to EUR 100,000.</p> <p>Payments may take the form of:</p> <ul style="list-style-type: none"> – Reimbursements – Unit costs – Lump sums – Flat-rates <p>Investments supporting young farmers have to exceed the minimum amounts specified in Annex 12 across all instruments.</p>	<p>O.25 Number of young farmers receiving setting-up support</p> <p>O.26: Number of new farmers receiving setting-up support</p> <p>O.27 Number of rural businesses receiving support for start-up</p>
<p>Tools for risk management (Article 76)</p>	<p>Support may not exceed 70% of eligible costs. Support may only be granted for covering losses exceeding 20% of the average annual production of a farm. Farmers not participating in risk management tools may receive support via financial instruments.</p> <p>Support may be provided via grants or financial instruments.</p>	<p>O.9 Number of units covered by supported CAP risk management tools</p>
<p>Cooperation (Article 77)</p>	<p>Subject to the overall financing requirements, support is limited to a maximum of:</p> <ul style="list-style-type: none"> – 80% of eligible costs for LEADER projects; – 80% of eligible costs for EIP operational group projects; 	<p>O.1 Number of EIP operational group projects</p> <p>O.28 Number of supported producer groups and producer organisations</p>

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Instrument	Financial management	Output indicators
	<ul style="list-style-type: none"> – 70% of eligible costs for information and promotion actions for quality schemes; – 10% of annual marketed production of a group/organisation (maximum EUR 100,000 per year). <p>Support may be provided via grants or financial instruments.</p> <p>A minimum of 5% of EAFRD funding is reserved for LEADER across all Member States.</p>	<p>O.29 Number of beneficiaries receiving support to participate in official quality schemes</p> <p>O.30 Number of supported operations or units for generational renewal</p> <p>O.31 Number of supported local development strategies or preparatory actions</p> <p>O.32 Number of supported other cooperation operations or units</p>
Knowledge exchange and dissemination of information (Article 78)	<p>Set-up costs of advisory services is limited to a maximum of EUR 200,000.</p> <p>Support may be provided via grants or financial instruments.</p>	<p>O.2 Number of advice actions or units to provide innovation support for preparing or implementing EIP operational group projects</p> <p>O.33 Number of supported training, advice and awareness actions or units</p>
Technical Assistance and CAP networks (Article 94)	<p>Technical assistance funding shall also cover the CAP networks.</p> <p>A maximum of 4% of Member State EAFRD contributions (Annex 11) may be allocated; this allocation may be increased to 6% where total Union contribution to rural development is up to EUR 1.1 billion</p>	<p>No specific OI foreseen.</p>

Source: Project team 2023, based on Regulation (EU) 2021/2115

Table A.7: Financial management and output indicators – sectoral interventions

Instrument	Financial management	Output indicators
Apiculture sector (Article 55)	<p>Member State specific allocation per financial year, as set out in Annex 10.</p>	<p>O.37 Number of actions or units for bee-keeping preservation or improvement</p>
Fruit and vegetables (Article 49)	<p>Financing includes 50% self-financing through the respective supported association and 50% from Union sources corresponding to actual expenditure. The Union contribution may be increased to 60% or 100% if conditions are met as outlined in Article 52/3 and Article 52/6</p> <p>Financial assistance is limited to 4.1% to 5% of marketed production, depending on the type of beneficiary (producer organisation, association of producer organisation, with 5% reserved for transnational organisations).</p>	<p>O.35 Number of supported operational programmes</p>
Hops (Article 61)	<p>Support is limited to 50% of incurred expenditure by the association. This ceiling may be increased to 100% subject to Article 62/3.</p> <p>This instrument is only foreseen for DE, with funding limited to 2.188 MEUR per financial year.</p> <p>All allocations can be (irrevocably) transferred to direct payments under Pillar I</p>	<p>O.35 Number of supported operational programmes</p>
Olive oil and table olives (Article 64)	<p>Union support amounts to 50% to 75% of eligible costs depending on Article 65/1. Overall assistance may not exceed 30% (2023, 2024), 15% (2025, 2026) and 10% (2027) of total marketed value.</p> <p>This instrument is only foreseen for EL, FR, IT (EL: EUR 10.6 MEUR; FR: EUR 0.554 MEUR, IT: 34.59 MEUR, all per financial year)</p> <p>All allocations can be (irrevocably) transferred to direct payments</p>	<p>O.35 Number of supported operational programmes</p>
Wine sector (Article 59)	<p>Union support covers restructuring and conversions of vineyards, as well as other investments (incl. innovation), revenue loss, insurance premiums, and information/promotion. Maximum union co-financing varies along supported action and beneficiary, as outlined in Articles 59 and 60.</p> <p>Member state specific allocation per financial year, as set out in Annex 7.</p> <p>Implemented in: BG, CZ, DE, EL, ES, FR, HR, IT, CY, LT, HU, AT, PT, RO, SI, SK.</p>	<p>O.36 Number of actions or units supported in the wine sector</p>
Other sectors (Article 68)	<p>Union support is limited to 50% of actual expenditure, with the possibility to extent to 60% for new associations. Overall support is limited to 6% of marketed production.</p>	<p>O.35 Number of supported operational programmes</p>

Source: Project team, based on Regulation (EU) 2021/2115

A.3 CAP Context Indicators

Table A.8: Context indicators of the PMEF

Policy area	Context Indicator
Population	C.01 Total population
	C.02 Population density
	C.03 Age structure of the population
Total area	C.04 Total area
	C.05 Land cover
Labour market	C.06 Employment rate in rural areas
	C.07 Unemployment rate in rural areas
	C.08 Employment (by sector, by type of region, by economic activity)
Economy	C.09 GDP per capita
	C.10 Poverty rate
	C.11 Gross value added by sector, by type of region, in agriculture and for primary producers
Farms and farmers	C.12 Agricultural holdings (farms)
	C.13 Farm labour force
	C.14 Age structure of farm managers
	C.15 Agricultural training of farm managers
	C.16 New farm managers and new young farm managers
Agriculture land	C.17 Utilised agricultural area
	C.18 Irrigable land
	C.19 Farming in Natura 2000 areas
	C.20 Areas facing natural and other specific constraints
	C.21 Agricultural land covered with landscape features
	C.22 Crop diversity
Livestock	C.23 Livestock units
	C.24 Livestock density
Agriculture and farm income	C.25 Agricultural factor income
	C.26 Comparison of agricultural income with non-agricultural labour cost
	C.27 Farm income by type of farming, by region, by farm size, in areas facing natural and other specific constraints
	C.28 Gross fixed capital formation in agriculture
Agricultural productivity	C.29 Total factor productivity in agriculture
	C.30 Labour productivity in agriculture, in forestry and in the food industry
Agricultural trade	C.31 Agricultural imports and exports
Other gainful activities	C.32 Tourism infrastructure
Farming practices	C.33 Agricultural area under organic farming
	C.34 Farming intensity
	C.35 Value of production under Union quality schemes and of organic production
Biodiversity	C.36 Farmland Bird Index
	C.37 Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends
Water	C.38 Water use in agriculture
	C.39 Water quality Gross nutrient balance – nitrogen Gross nutrient balance – phosphorus Nitrates in ground water
Soil	C.40 Soil organic carbon in agricultural land
	C.41 Soil erosion by water
Energy	C.42 Sustainable production of renewable energy from agriculture and forestry
	C.43 Energy use in agriculture, forestry and food industry
Climate	C.44 Greenhouse gas emissions from agriculture
	C.45 Agricultural sector resilience progress indicator
	C.46 Direct agricultural loss attributed to disasters
Air	C.47 Ammonia emissions from agriculture
Health	C.48 Sales/use of antimicrobials for food-producing animals
	C.49 Risk, use and impacts of pesticides

Source: Regulation (EU) 2021/2115

A.4 Intervention logic of the CAP 2023-2027

Table A.9: CAP intervention logic and indicators

Objective	Related intervention	Result indicator	Impact indicator
SO1: Ensuring a fair income for farmers	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other) (All rural development measures contribute to this SO)	R.4 Linking income support to standards and good practices	I.2 Reducing income disparities
		R.5 Risk management	I.3 Reducing farm income variability
		R.6 PR Redistribution to smaller farms	I.4 Supporting viable farm income
		R.7 PR Enhancing support for farms in areas with specific needs	I.5 Contributing to territorial balance
SO2: Fostering competitiveness	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other) All rural development measures contribute to this SO, particularly: Investments	R.8 Targeting farms in specific sectors	I.6 Increasing factor productivity in agriculture
		R.9PR Farm modernisation	I.7 Harnessing agri-food trade
SO3: Improving the position of farmers in the food chain	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other) (All rural development measures contribute to this SO)	R.10PR Better supply chain organisation	I.8 Improving farmers' position in the food chain
		R.11 Concentration of supply	
SO4: Climate change action	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, All rural development measures contribute to this SO, particularly: Eco-schemes, AECM, Investments, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other)	R.12 Adaptation to climate change	I.9 Improving the resilience of agriculture to climate change
		R.13 PR Reducing emissions in the livestock sector	I.10 Contributing to climate change mitigation
		R.14 PR Carbon storage in soils and biomass	I.11 Enhancing carbon sequestration
		R.15 Renewable energy from agriculture, forestry and from other renewable sources	I.12 Increasing sustainable energy in agriculture
		R.16 Investments related to climate	
		R.17 PR Afforested land	
		R.18 Investment support for the forest sector	

Objective	Related intervention	Result indicator	Impact indicator
SO5: Natural resources and environmental care	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, All rural development measures contribute to this SO, particularly: Eco-schemes, AECM, Investments, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other)	R.19PR Improving and protecting soils	I.13 Reducing soil erosion
		R.20PR Improving air quality	I.14 Improving air quality
		R.21PR Protecting water quality	I.15 Improving water quality
		R.22PR Sustainable nutrient management	I.16 Reducing nutrient leakage
		R.23 PR Sustainable water us	I.17 Reducing pressure on water resource
		R.24PR Sustainable and reduced use of pesticides	I.18 Sustainable and reduced use of pesticides
		R.25 Environmental performance in the livestock sector	
		R.26 Investments related to natural resources	
		R.27 Environmental or climate-related performance through investment in rural areas	
		R.28 Environmental or climate-related performance through knowledge and innovation	
SO6: Preservation of landscapes and biodiversity	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other) All rural development measures contribute to this SO, particularly: Eco-schemes, AECM, ANC, ASD	R.29PR Development of organic agriculture	I.19 Increasing farmland bird population
		R.30PR Supporting sustainable forest management	I.20 Enhancing biodiversity protection
		R.31PR Preserving habitats and species	I.21 Enhancing provision of ecosystem services
		R.32 Investments related to biodiversity	I.22 Increasing agro-biodiversity in farming system
		R.33 Improving Natura 2000 management	
		R.34 PR Preserving landscape features	
		R.35 Preserving beehives	
SO7: Supporting generational renewal	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other) Complementary income support young farmers (EAGF) All rural development measures contribute to this SO, particularly: Investments Young farmer support (EAFRD)	R.36 PR Generational renewal	I.23 Attracting young farmer
SO8: Vibrant rural areas	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, Sectoral aid (apiculture wine, fruit & vegetables, hopes, olives, other) All rural development measures contribute to this SO, particularly: Cooperation Investments	R.37 Growth and jobs in rural areas	I.24 Contributing to jobs in rural areas
		R.38 LEADER coverage	I.25 Contributing to growth in rural areas
		R.39 Developing the rural economy	I.26 A fairer CAP
		R.40 Smart transition of the rural economy	I.27 Promoting rural inclusion
		R.41 PR Connecting rural Europe	
		R.42 Promoting social inclusion	

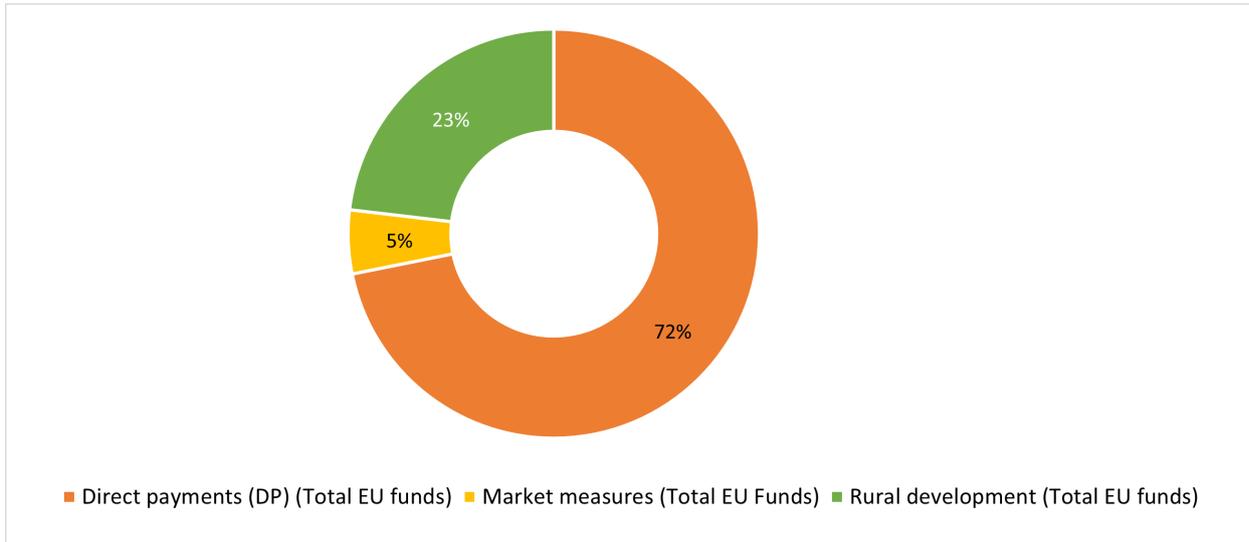
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Objective	Related intervention	Result indicator	Impact indicator
SO9: Food and health quality, animal welfare and anti-microbial resistance	BISS, Redistributive income support, Small farmer payments Complementary income support for young farmers, Coupled income support, All rural development measures contribute to this SO, particularly: Eco-schemes AECM Sectoral aid (apiculture wine, fruit & vegetables, hops, olives, other) (All rural development measures contribute to this SO)	R.43 PR Limiting antimicrobial use	I.28 Limiting antimicrobial use in farmed animal
		R.44 PR Improving animal welfare	I.29 Responding to consumer demand for quality food
CCO: Fostering knowledge and innovation	All; cross-cutting objective	R.1 PR Enhancing performance through knowledge and innovation	I.1. Sharing knowledge and innovation
		R.2 Linking advice and knowledge systems	
		R.3 Digitalising agriculture	

Source: Authors based on Regulation (EU) 2021/2115

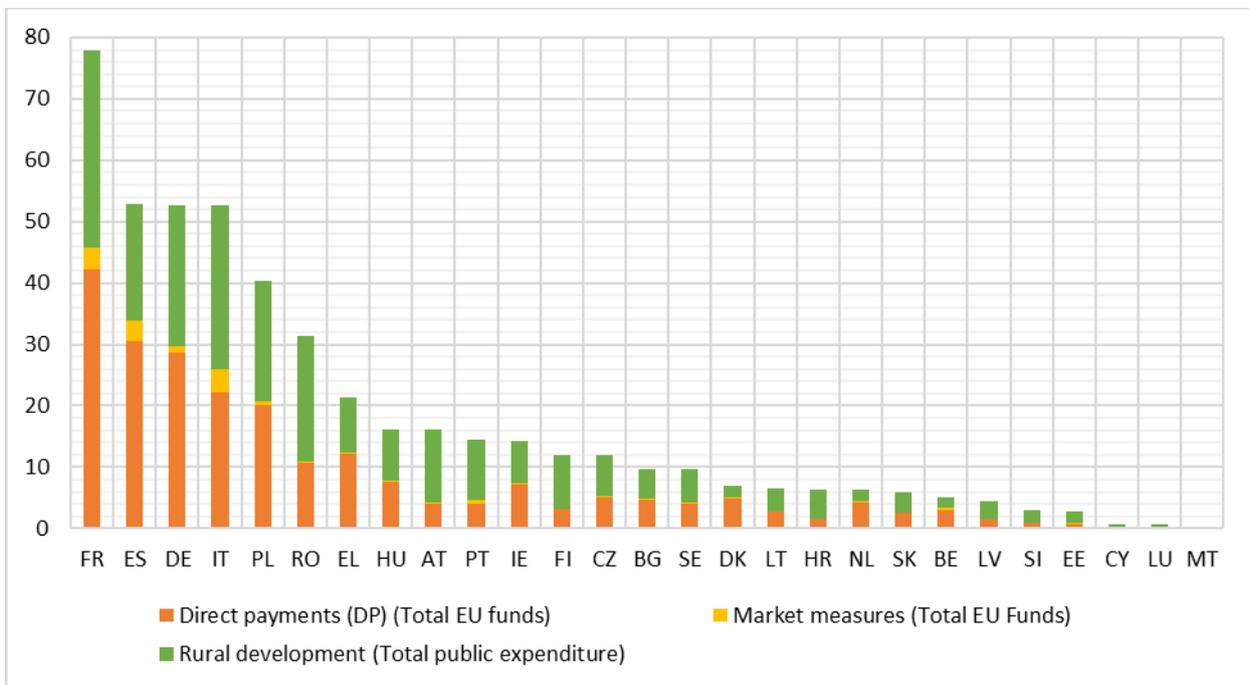
A.5 Complementary tables and figures of Chapter 3

Figure A.1: Distribution of the 2015-2020 CAP expenditure (EAGF, EAFRD)



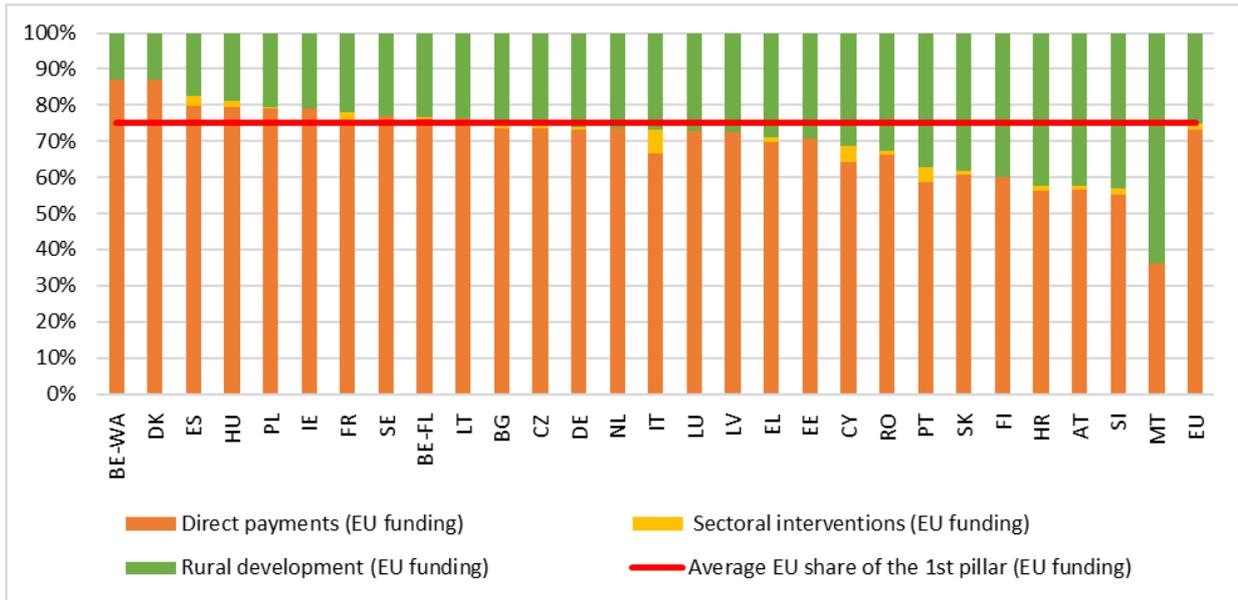
Source: Project team, based on 2015-2020 total public expenditure from European Commission (2023b)

Figure A.2: 2014-2020 CAP total public expenditure (in EUR billion)



Source: Project team, based on 2015-2020 total public expenditure from European Commission (2023b)

Figure A.3: Share of Pillar I and II in the CAP EU budget per Member State (2023-2027)



Source: Project team 2023, based on the approved CSPs

Table A.10: Distribution of direct payments by type of intervention and by approved CSP, excluding technical assistance

CSP	21 – BISS	29 – CRISS	30 – CIS-YF	31 – Eco-scheme	32 – CIS	Total DP (EUR Million)	% EU27	% Sector in 1st pillar	Total Sectoral (EUR Million)	% EU27
AT	70.5%	10.0%	2.1%	14.8%	2.7%	3,388	1.8%	1.7%	59.7	1.3%
BE-WA	30.3%	19.5%	2.9%	26.0%	21.3%	1,328	0.7%	0.1%	1.0	0.0%
BE-FL	54.0%	10.0%	3.0%	25.0%	8.0%	1,046	0.6%	0.1%	1.0	0.0%
BG	47.8%	11.3%	1.5%	24.6%	14.8%	4,166	2.2%	2.5%	107.9	2.3%
CY	65.2%	6.0%	1.0%	18.9%	8.9%	238	0.1%	6.3%	16.0	0.3%
CZ	31.1%	23.1%	0.5%	30.2%	15.1%	4,096	2.2%	1.9%	80.2	1.7%
DE	60.9%	11.6%	3.3%	22.2%	1.9%	22,194	11.8%	0.7%	161.7	3.4%
DK	75.2%	0.0%	0.0%	19.9%	4.9%	4,119	2.2%	0.0%	1.4	0.0%
EE	52.3%	5.0%	2.0%	27.7%	13.0%	1,008	0.5%	0.1%	0.7	0.0%
EL	49.1%	10.2%	1.6%	25.0%	14.1%	8,702	4.6%	1.9%	170.2	3.6%
ES	51.0%	10.0%	2.0%	23.0%	14.0%	24,142	12.8%	3.3%	813.0	17.0%
FI	56.6%	5.0%	2.5%	16.5%	19.5%	2,613	1.4%	0.0%	0.9	0.0%
FR	48.3%	10.0%	1.7%	25.0%	15.0%	34,231	18.2%	2.6%	931.5	19.5%
HR	38.0%	20.0%	2.0%	25.0%	15.0%	1,874	1.0%	2.7%	51.2	1.1%
HU	54.5%	14.0%	1.4%	15.0%	15.0%	6,633	3.5%	2.0%	132.5	2.8%
IE	61.4%	10.0%	3.0%	25.0%	0.6%	5,931	3.2%	0.0%	0.3	0.0%
IT	48.0%	10.0%	2.0%	25.0%	15.0%	17,608	9.4%	9.0%	1,742.8	36.5%
LT	37.7%	20.0%	2.3%	25.0%	15.0%	3,012	1.6%	0.1%	2.9	0.1%
LU	49.0%	11.9%	2.2%	25.0%	11.8%	164	0.1%	0.1%	0.1	0.0%
LV	49.8%	9.0%	0.7%	25.6%	15.0%	1,714	0.9%	0.3%	5.6	0.1%
MT	42.3%	0.0%	1.7%	21.1%	34.9%	43	0.0%	0.2%	0.1	0.0%
NL	56.8%	10.0%	0.8%	32.4%	0.0%	2,978	1.6%	0.0%	1.4	0.0%
PL	47.4%	11.6%	1.1%	25.0%	15.0%	17,327	9.2%	0.1%	25.1	0.5%
PT	45.1%	10.0%	0.0%	25.1%	19.8%	3,486	1.9%	7.0%	261.5	5.5%

CSP	21 – BISS	29 – CRISS	30 – CIS-YF	31 – Eco-scheme	32 – CIS	Total DP (EUR Million)	% EU27	% Sector in 1st pillar	Total Sectoral (EUR Million)	% EU27
RO	49.3%	10.0%	0.7%	25.0%	15.0%	9,783	5.2%	1.4%	143.1	3.0%
SE	59.3%	5.0%	2.9%	19.8%	13.0%	3,433	1.8%	0.1%	2.9	0.1%
SI	62.5%	5.9%	1.5%	15.3%	14.9%	664	0.4%	3.3%	22.6	0.5%
SK	46.6%	10.1%	0.6%	27.6%	15.0%	2,023	1.1%	1.7%	34.9	0.7%
EU-27	51.5%	10.7%	1.8%	23.8%	12.3%	187,943	100.0%	2.5%	4,772	100.0%

Source: Project team 2023, based on the approved CSPs

Table A.11: Distribution of total public funding by type of rural development interventions and by approved CSP, excluding technical assistance.

CSP	70 – ENVCLIM	71 – ANC	72 – ASD	73-74 – INVEST	75 – INSTAL	76 – RISK	77 – COOP	78 – KNOW	Total (EUR Million)	% EU27	Co-financing rate
AT	46%	19%	0.2%	19%	1.5%	0.0%	10.3%	4.0%	5,166	4.8%	49%
BE-WA	44%	8%	5.5%	28%	6.6%	0.0%	6.9%	0.0%	527	0.5%	37%
BE-FL	23%	0%	0.0%	52%	8.6%	0.0%	11.8%	5.1%	593	0.6%	54%
BG	22%	8%	2.8%	46%	7.0%	1.7%	10.5%	1.8%	3,450	3.2%	40%
CY	28%	14%	1.3%	40%	5.6%	0.0%	11.0%	0.5%	196	0.2%	60%
CZ	40%	23%	0.1%	28%	3.1%	0.0%	6.0%	0.4%	3,741	3.5%	37%
DE	44%	8%	0.9%	27%	0.3%	1.5%	16.1%	1.9%	11,664	10.9%	68%
DK	22%	2%	3.6%	46%	18.6%	0.0%	8.3%	0.0%	695	0.6%	88%
EE	25%	0%	5.1%	46%	4.1%	0.2%	16.0%	3.8%	605	0.6%	68%
EL	18%	29%	0.2%	26%	13.5%	0.0%	9.2%	3.9%	4,371	4.1%	82%
ES	23%	8%	0.7%	45%	8.2%	0.0%	13.1%	2.2%	8,161	7.6%	65%
FI	44%	22%	0.0%	20%	1.4%	0.0%	9.0%	3.0%	4,020	3.8%	43%
FR	19%	39%	0.0%	21%	6.5%	6.7%	6.3%	1.0%	14,152	13.2%	70%
HR	28%	12%	0.5%	41%	5.8%	4.0%	6.9%	2.0%	1,760	1.6%	80%
HU	60%	0%	9.5%	18%	3.5%	0.4%	6.8%	2.0%	3,167	3.0%	50%
IE	46%	32%	0.0%	8%	0.0%	0.0%	11.1%	2.6%	3,855	3.6%	40%
IT	29%	9%	0.2%	28%	4.9%	18.5%	8.4%	1.4%	15,520	14.5%	45%
LT	27%	11%	1.5%	41%	8.2%	1.2%	9.3%	1.0%	1,162	1.1%	80%
LU	43%	29%	2.3%	19%	2.7%	0.0%	4.2%	0.0%	301	0.3%	20%
LV	39%	0%	1.6%	32%	5.8%	5.1%	14.2%	2.6%	745	0.7%	87%
MT	7%	12%	0.0%	64%	6.1%	0.0%	7.2%	3.7%	117	0.1%	65%
NL	39%	0%	0.0%	17%	5.0%	5.9%	29.4%	3.9%	1,488	1.4%	72%
PL	22%	20%	0.0%	33%	7.6%	1.4%	14.0%	2.7%	7,580	7.1%	60%
PT	17%	17%	2.4%	49%	2.9%	2.4%	7.4%	1.4%	2,772	2.6%	80%
RO	30%	12%	0.0%	42%	4.4%	1.7%	9.8%	0.2%	5,676	5.3%	85%
SE	33%	32%	0.0%	18%	0.7%	0.0%	12.7%	4.5%	2,558	2.4%	40%
SI	30%	22%	0.2%	34%	4.4%	0.0%	7.5%	1.0%	1,082	1.0%	48%
SK	32%	18%	0.3%	35%	2.8%	2.0%	9.0%	0.7%	2,014	1.9%	63%
EU-27	31%	17%	0.8%	29%	4.8%	4.3%	10.4%	1.9%	107,137	100.0%	60%

Source: Project team, based on approved CSP (January 2023)

Table A.12: Use of capping and degressivity per CAP Strategic Plan

Member states	Capping	Degressivity	Recovered amounts used for:
AT	X		
BE-FL	X	X	CRISS
BE-WA	X	X	CRISS
BG	X		CRISS
ES	X	X	CRISS
IE	X	X	CRISS
LT	X		other direct payments interventions (in particular direct payments to young farmers)
LV	X		CRISS
PT		X	CRISS
SI		X	CRISS
SK	X	X	transfer to EAFRD

Source: Project team (2023), based on approved CSPs; Note: the CSPs not presented in the table do not apply capping nor degressivity. These are: CY, CZ, DE, DK, EE, EL, FI, FR, HR, HU, IT, LU, MT, NL, PL, RO, SE.

Table A.13: Number of eco-scheme measures by land targeted and number of eco-schemes by CSP

MS	Type of land targeted by eco-scheme			Number of eco-schemes
	Arable Land	Grassland	Permanent Crop	
AT	1	2	1	4
BE_FL	10	8	7	13
BE_WA	4	3	2	5
BG	6	7	5	8
CY	2	0	2	2
CZ	2	1	1	2
DE	5	6	3	7
DK	6	4	1	6
EE	5	5	1	5
EL	6	4	6	10
ES	4	2	4	9

MS	Type of land targeted by eco-scheme			Number of eco-schemes
	Arable Land	Grassland	Permanent Crop	
FI	3	4	0	4
FR	3	3	3	3
HR	5	4	2	7
HU	1	1	1	1
IE	1	1	1	1
IT	2	1	3	5
LT	12	5	4	16
LU	5	4	4	8
LV	5	4	3	6
MT	3	0	2	3
NL*	1	1	1	1
PL	4	4	1	6
PT	4	4	4	6
RO	2	1	2	5
SE	3	0	0	3
SK	1	2	1	2
SI	7	5	4	11
EU	113	86	69	158

Source: Project team, based on approved CSP (January 2023)

* NL presents only one eco-scheme whose structure differs from other Member States. Support depends on three points:

- Determination of the support (programmed for all eligible areas in the Netherlands)
- Point system: to be eligible for the eco-scheme, a beneficiary must obtain a minimum number of points for the climate, soil & air, water, biodiversity and landscape objectives
- Determination of eligibility for a bronze, silver or gold eco-scheme.

The eco-scheme is composed of 22 measures.”

A.6 Conditionality provisions

Conditionality comprises the statutory management requirements (SMRs) under EU law and the good agricultural and environmental condition of land (GAECs), complemented by the three greening requirements of the 2014-2020 CAP⁵⁷ as well as new requirements.

The latter concern notably GAEC 2 “Protection of wetland and peatland”, (social working conditions and the SMRs that have been extended in the area of the environment, now including requirements arising from the Water Framework Directive and the Directive on the sustainable use of pesticides. In total, the Regulation (EU) 2021/2115 covers 11 SMRs and 9 GAECs that aim to establish minimum requirements with respect to the climate (GAEC 1 to 3), water quality and soil (GAEC 4 to 8) and biodiversity (GAEC 9 to 10) (Lotz et al., 2019).

Conditionality applies to any beneficiary of area based or coupled support. CSP should help address the environmental and climate objectives in a first step through enhanced conditionality. They cover the areas of climate change; water; soil; biodiversity and landscape features. They are linked to eco-schemes and AECM (see 3.3.3 e) in relation to a greener CAP.

The Regulation (EU) 2021/2115 (Annex III) defines nine GAEC. GAEC 1,2,3 focus mainly on mitigation and adaptation to climate change; GAEC 4 relates to water protection; GAEC 5; 6, 7 to soil quality and protection; GAEC 8 and 9 relate on protection and quality of biodiversity and landscapes.

The new set of GAEC standards shows an overall increase in environmental ambition in comparison to the previous period thanks to the addition of new standards and improvements/reinforcement of the current ones.

However, as Member States can use exemptions and select the practices required, the progress will depend on how Member States set up the standards in their respective territories. Most CSPs largely carry over the existing practices to implementing GAEC standards and greening requirements, even if they include new standards. Several Plans have improved GAECs to better respond to needs (European Commission, 2022b). The focus of this section is on GAECs, which may apply differently across Member States.

GAEC 1 and 2 are mainly linked to mitigation and adaptation of climate change (but also to biodiversity and water protection).

(a) GAEC 1

Maintenance of permanent grassland is addressed in GAEC 1, as a proportion of total UAA. A decrease of maximum 5% compared to the reference year 2018 is allowed (Annex III). This standard addresses a historical challenge to maintain permanent grasslands that are threatened. Permanent grasslands play an important role in preserving the carbon stock, but also for biodiversity and water.

Member States are obliged to maintain permanent grasslands (conditionality) either at farm level (rare) or at the level of an agricultural territory (Annex 3). This obligation was effectively covered by greening in the 2014-2020 period. Currently 3 Member States set the share a bit lower namely at 4 or 4.5% (AT, DE, PT). **The fact that the obligation is generally set a national level⁵⁸ is a weakness as situations may be very contrasted according to the different regions in a Member States** (Nemcová & Caiati, 2022b). In addition, there is an issue in the safeguard of sensitive areas outside of Natura2000. There is

⁵⁷ GAEC 1 Permanent Grassland, GAEC 7 Crop rotation (*Crop diversification in 2014-2020*) and GAEC 8 Non-productive features or areas (*Ecological focus areas*).

⁵⁸ BE-FL, BE-WA, DE, ES and FR provide for ratios at regional level.

still a risk of losing high value meadows that are outside of Natura2000 and not protected by GAEC 1 nor GAEC 9.

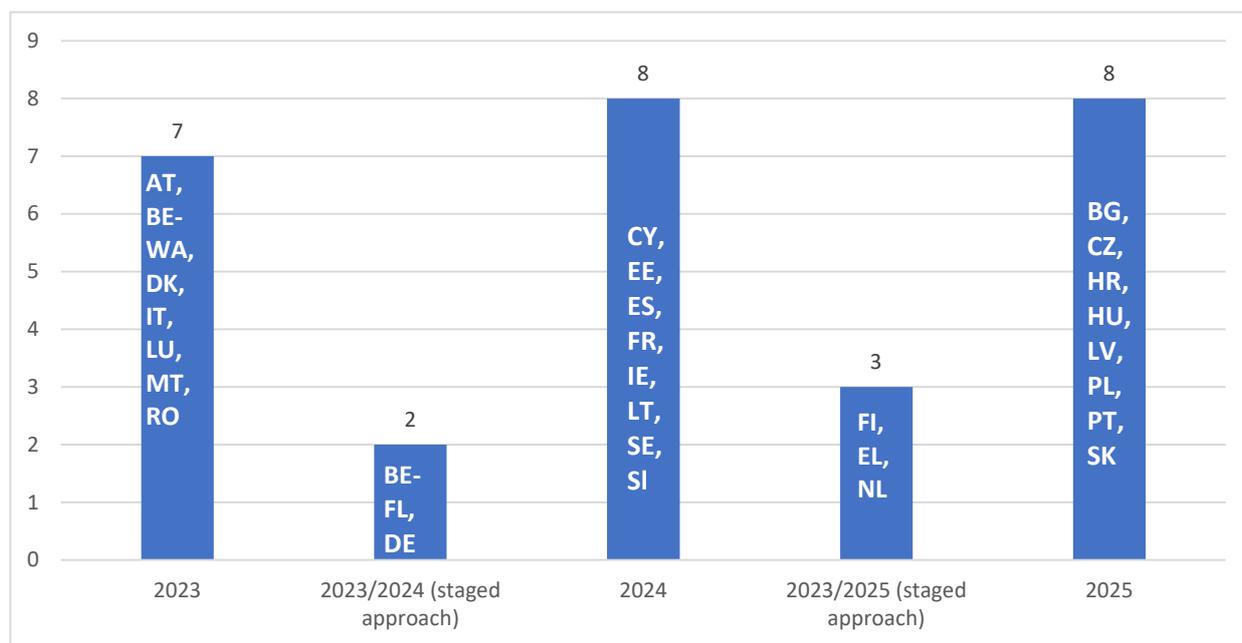
(b) GAEC 2

GAEC 2 is an important new standard about the protection of wetlands and peatlands that are major carbon sinks. Hence there is a need to implement this protection as from 2023.

Seven CSPs plan to apply the standard fully in 2023. Five CSP (BE-FL, DE, EL, NL and FI) opted for a two-step approach starting in 2023. While 16 Member States request a derogation, justifying a delay in the implementation of GAEC 2 because the mapping of wetlands and peatlands used as farmland still has to be completed. In DE for instance, delimitation in two relevant regions will not be completed until the end of 2023 for the regions with many peatlands and wetlands. According to literature, this delay is surprising, as there was already a discussion in the 2014-2020 period about introducing such a standard, especially against the backdrop of climate policy challenges (Becker and al, 2022).

Moreover, the level of protection proposed varies from one Member State to another but includes restrictions on further drainage as well as tillage and/or conversion. (European Commission, 2022b). Although this standard is very welcomed, low ambitions especially for Member States with highest concentration of wetlands areas in the EU is underlined (Nemcová & Caiati, 2022a). “in Denmark, GAEC 2 sets the following requirements: ...” **LT’s** CSP still allows for ploughing, drainage, and reconstruction of drainage etc.” In **LV**, ploughing of the wetlands is still allowed once in a five-year period and renovation or installation of new drainage systems is possible.

Figure A.4: CSPs according to the planned date of application of GAEC 2



Source: Project team, based on European Commission (2023a)

(c) GAEC 4

GAEC 4 requires the establishment of buffer strips along watercourses, where fertilisers and chemical plant protection products cannot be applied, to protect against pollution.

The difficulty lies notably in the varying definition of water course among and even within Member States. For instance, DE exempts smaller water courses from the definition whereas IE includes all surface waters. The minimum width has been extended compared to 2014-2020⁵⁹.

All Member States plan to apply the standard but with different minimum width of buffer strips: 24 Member States foresee a minimum width of 3 meter or above⁶⁰, out of which 2 Member States plan a minimum width of 10 meter (CY, LV); the other 3 Member States (EE, NL and SE) set a minimum width below 3 meters. 8 Member States have a larger width of 5-6 m (BE-WA, BG, ES, FR, IT, LU, MT, SI), with 10m for LU.

The Regulation (EU) 2021/2115 allows exemptions for areas having significant amounts of drainage and irrigation ditches; however, no Member State plans to make use of this exemption (European Commission, 2022b).

(d) GAEC 5-7

GAEC 5, 6, 7 help protecting soil. GAEC 5 concerns tillage management to reduce soil erosion risk with slope considerations. GAEC 6 requires farmers to avoid leaving soil bare in the most sensitive periods (winter).

GAEC 7 concerns the implementation of crop rotation or diversification in arable land. Funding more ambitious crop rotations is required under GAEC 7. 11 Member States foresee to apply the crop rotation requirements whereas 8 Member States propose to apply the crop diversification derogation in their whole territory. 8 Member States propose a combination of both or alternatives.

However, 13 Member States propose to use potentially less ambitious versions of the standard on at least part of their territory (such as crop diversification, as under the current “greening” provisions), and all Member States propose to exempt either a number of farms on the basis of criteria such as physical size (arable land below 10 hectares) or on the basis of cultivation of grasses (when more than 75% of arable land is cultivated with grass, herbaceous forage, legumes and/or fallow land). For 6 Member States this would entail an exact continuation of the current greening rules under this GAEC.

(e) GAEC 8

In the area of biodiversity, GAEC 8 requires farmers to devote a proportion of arable land to non-productive areas and features (among other obligations), to improve on-farm biodiversity. Three different options are offered to Member State to apply this standard.

All member states are offering farmers the “basic” option, meaning that farmers must devote at least 4% of their arable land to non-productive areas and features (including fallow land).

13 CSPs are offering the “eco-scheme top-up” option under which farmers undertake to devote at least 7% of their arable land non-productive areas and features under an eco-scheme, as provided for in Article 31(6) of Regulation (EU) 2021/2115. In this case farmers receive payment under the eco-scheme for all area in question going beyond 3%.

⁵⁹ The minimum width spanned from less than 1 meter to more than 20 meters, with the strong majority of Member States setting buffer strips with a width ranging from 1 to 5 meters (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0424>).

⁶⁰ As a main rule, the minimum width is 3 meters, but some Member States set a larger width.

16 CSPs are offering the option including catch crops or nitrogen-fixing crops, criticized in scientific literature for their low environmental effectiveness. Under this option, farmers must devote at least 3% of their arable land to non-productive areas and features and at least a further 4% to nitrogen-fixing crops and/or catch crops – the exact additional total depending on the balance between these.

Among them, 9 CSPs foresee all three options and as in the case of GAEC 7, many CSPs (25) are proposing to use the exemptions permitted by the Regulation (EU) 2021/2115 for GAEC 8 (European Commission, 2022b).

Figure A.5: CSPs according to the proposed options for implementation of GAEC 8



Source: Project team, based on European Commission (2023a)

A.7 Contribution to the EGD

Table A.14: The inclusion of national values in drafted CAP SPs by Member State

MS	Nutrient loss	Pesticides	Sales of Antimicrobials	Organic farming	Landscape features	Access to broadband internet
AT	X	X	X	√	X	X
BE-FL	X	X	X	√	√	√
BE-WA	X	X	X	√	X	√
BG	X	X	√	√	X	X
CY	X	X	X	√	X	X
CZ	X	X	√	√	X	√
DE	X	X	X	√	X	X
DK	X	X	X	√	X	X
EE	X	X	X	√	√	X
EL	X	X	X	X	X	X
ES	X	X	X	√	X	√
FI	X	X	X	√	X	X
FR	X	√	X	√	X	X
HR	X	X	X	X	√	X
HU	X	√	X	√	√	X
IE	√	X	X	√	√	√
IT	X	X	X	√	X	X
LT	X	X	X	√	√	X
LU	X	√	X	√	X	X
LV	√	X	X	√	X	√
MT	X	√	√	√	√	√
NL	X	X	X	X	X	X
PL	√	√	√	√	√	√

MS	Nutrient loss	Pesticides	Sales of Antimicrobials	Organic farming	Landscape features	Access to broadband internet
PT	X	X	X	√	X	X
RO	X	X	X	X	X	√
SE	X	X	X	√	X	X
SI	X	X	X	√	X	X
SK	X	X	X	√	√	√

Source: Consortium, 2023 taken from European Commission Observation Letters on Draft CAP SPs

A.8 Result indicator target values (EU-27)

Table A.15: Result indicators and EGD contributions

Result indicator	EU-average target value	Above average target setting	Below average target setting	No target included
R.12 Adaptation to climate change	25.1%	CSP: 11/26	CSP:15/26	CSP: 2
R.13 Reducing emissions in the livestock sector	2.4%	CSP: 11/12	CSP: 1/12	CSP: 16
R.19 Improving and protecting soils	47.4%	CSP: 12/28	CSP: 16/28	CSP: /
R.20 Improving air quality	5.9%	CSP: 9/20	CSP: 11/20	CSP: 8
R.21 Protecting water quality:	21%	CSP: 21/28	CSP: 7/28	CSP: /
R.22 Sustainable nutrient management	15.2%	CSP: 18/28	CSP: 10/28	CSP:/
R.24 Sustainable and reduced use of pesticides	26.6%	CSP: 13/28	CSP: 15/28	CSP:/
R.25 Environmental performance in the livestock sector	1.6%	CSP: 9/24	CSP: 15/24	CSP: 4
R.29 Development of organic agriculture	10%	CSP:18/28	CSP: 10/28	CSP: /

Source: Project team 2023, based on DG AGRI SFC (January 2023)

Table A.16: Target values at EU level

Result indicator	Target value (EU-27)
R.1 Enhancing performance through knowledge and innovation: Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance	6,074,919.00
R.2 Linking advice and knowledge systems: Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)	201,792.00
R.3 Digitalising agriculture: Share of farms benefitting from support for digital farming technology through CAP	2.73%
R.4 Linking income support to standards and good practices: Share of utilised agricultural area (UAA) covered by income support and subject to conditionality	89.18%
R.5 Risk management: Share of farms with supported CAP risk management tools	14.52%
R.6 Redistribution to smaller farms: Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)	115.71%
R.7 Enhancing support for farms in areas with specific needs: Percentage of additional support per hectare in areas with higher needs (compared to average)	110.66%
R.8 Targeting farms in specific sectors: Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality	21.18%
R.9 Farm modernisation: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency	3.91%
R.10 Better supply chain organisation: Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP	7.55%
R.12 Adaptation to climate change: Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation	25.12%
R.13 Reducing emissions in the livestock sector: Share of livestock units (LU) under support to reduce emissions of greenhouse gases and/or ammonia, including manure management	2.43%
R.14 Carbon storage in soils and biomass: Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)	35.08%

Result indicator	Target value (EU-27)
R.15 Renewable energy from agriculture, forestry and from other renewable sources: Supported investments in renewable energy production capacity, including bio-based (in MW)	1556.33 MW
R.16 Investments related to climate: Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials	1.76%
R.17 Afforested land: Area supported for afforestation, agroforestry restoration, including breakdowns	622934.76 ha
R.18 Investment support for the forest sector: Total investment to improve the performance of the forestry sector	EUR 3,207,235,854.00
R.19 Improving and protecting soils: Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)	47.40%
R.20 Improving air quality: Share of utilised agricultural area (UAA) under supported commitments to reduce ammonia emission	5.92%
R.21 Protecting water quality: Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies	20.99%
R.22 Sustainable nutrient management: Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management	15.22%
R.23 Sustainable water use: Share of utilised agricultural area (UAA) under supported commitments to improve water balance	4.50%
R.24 Sustainable and reduced use of pesticides: Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage	26.58%
R.25 Environmental performance in the livestock sector: Share of livestock units (LU) under supported commitments to improve environmental sustainability	1.55%
R.26 Investment related to natural resources: Share of farms benefitting from CAP productive and non-productive investment support related to care for the natural resource	1.45%
R.27 Environmental or climate-related performance through investment in rural areas: Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas	340,955.00
R.28 Environmental or climate-related performance through knowledge: Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational	2,059,522.00

Result indicator	Target value (EU-27)
groups supported by the CAP related to environmental or climate-related performance	
R.29 Development of organic agriculture: Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion	9.99%
R.30 Supporting sustainable forest management: Share of forest land under commitments to support forest protection and management of ecosystem services	0.83%
R.31 Preserving habitats and species: Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices	30.59%
R.32 Investments related to biodiversity: Share of farms benefitting from CAP investment support contributing to biodiversity	0.52%
R.33 Improving Natura 2000 management: Share of total Natura 2000 area under supported commitments	25.13%
R.34 Preserving landscape features: Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees	1.77%
R.35 Preserving beehives: Share of beehives supported by the CAP	53.89%
R.36 Generational renewal: Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown	376,813.00
R.37 Growth and jobs in rural areas: New jobs supported in CAP projects	394,513.00
R.38 LEADER coverage: Share of rural population covered by local development strategies	65.25%
R.39 Developing the rural economy: Number of rural businesses including bio-economy businesses developed with CAP support	138,820.00
R.40 Smart transition of the rural economy: Number of supported smart-village strategies	629.00
R.41 Connecting rural Europe: Share of rural population benefitting from improved access to services and infrastructure through CAP support	10.78%
R.42 Promoting social inclusion: Number of persons covered by supported social inclusion projects	31,504.00
R.43 Limiting antimicrobial use: Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobials (prevention/reduction)	20.11%
R.44 Improving animal welfare: Share of livestock units (LU) covered by supported actions to improve animal welfare	23.07%

A.9 Relative importance of Member States' eco-schemes

Table A.17: Relative importance of Member States' eco-schemes (in financial share and share of UAA)

Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
AT			2,646,960
31-01 – Greening of arable land – cultivation of catch crops	37.50	9.07	
31-02 – Greening of arable land – Evergreen system	18.20	8.42	
31-03 – Lutte contre l'érosion dans le vin, les fruits et le houblon	10.00	1.44	
31-04 – Animal Welfare – Pasture	34.30	23.10	
BE_FL			616,860
1.10 – Buffer strips	13.42	1.05	
1.11 – Mechanical weed control	3.18	0.82	
1.12 – Cultivation techniques for erosion control	8.00	12.71	
1.13 – Crop rotation (Crop rotation with legumes)	12.72	9.65	
1.14 – Precision Agriculture 1.0	1.53	4.18	
1.15 – Precision Agriculture 2.0	0.69	0.56	
1.16 – Eco-scheme "Soil passport for sustainable soil management at the farm level" (abbreviated as: Soil Passport)	0.94	3.51	
1.17 – Adjustments in feed management at the farm level for cattle to reduce greenhouse gas emissions (abbreviated as Feed management for cattle)	3.06	12.87	
1.5 – Preserve permanent grassland	18.23	6.59	
1.6 – Ecologically managed grassland.	9.37	2.48	
1.7 – Eco-scheme soil organic carbon content in arable land (abbreviated as: Arable land organic carbon content)	18.85	17.69	
1.8 – Cultivation of environmentally friendly, biodiversity-friendly, and/or climate-resistant crops (abbreviated as Eco-crops)	7.72	0.48	
1.9 – Continuation of organic farming (abbreviated as: Continuation bio)	2.29	1.26	
BE_WA			740,623
141 – Eco Schemes – Long lasting ground Cover	28.85	86.61	
142 – Eco Schemes – Environmentally-friendly crops	8.85	1.99	
143 -Eco Schemes – Ecological network	16.88	3.66	
144 – Eco Schemes – Input reduction	8.88	10.45	
145 – Eco Schemes – Permanent pastures conditioned to livestock density.	36.54	38.19	

Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
BG			5,047,250
I.B.2 – Eco scheme for maintaining and improving biological diversity and ecological infrastructure.	16.75	1.14	
I.B.3 – Eco scheme for preserving and restoring soil potential – promotion of green manure and organic fertilisation.	13.97	8.26	
I.B.4 – Eco-scheme for reducing pesticide use	16.93	11.11	
I.B.5 – Eco-scheme for ecological maintenance of permanent crops	3.64	1.39	
I.B.6 – Eco scheme for extensive maintenance of permanent grasslands.	10.69	5.44	
I.B.7 – Eco-scheme for the maintenance and improvement of biodiversity in forest ecosystems.	2.88	0.40	
I.B.1 – Eco scheme for organic farming (livestock)	3.99	0.37	
I.B.8 – Eco scheme for diversification of cultivated crops.	31.15	59.78	
CY			135,560
A.P. 3.1 – Ecological Program for improving the organic matter and soil quality, and rational management of nutrients.	50.62	13.46	
A.P. 3.2 – Ecological Program for the reduction of the burden on soils and waters from chemical plant protection products.	49.38	5.67	
CZ			3,523,870
05.31 – Regimes for climate and environment – Whole-farm agri-environment payment	96.49	100.20	
06.31 – Režimy pro klima a životní prostředí – precizní zemědělství	3.51	5.68	
DE			16,595,000
DZ-0401 – Provision of areas to improve biodiversity and preserve habitats	32.52	4.24	
DZ-0402 – Cultivation of diverse crops with at least five main crop species in arable farming, including the cultivation of legumes with a minimum share of 10 percent	12.13	16.11	
DZ-0403 – Maintaining agroforestry management on arable land and permanent grassland	0.76	0.15	
DZ-0404 – Extensification of the entire permanent grassland of the farm	20.64	11.92	
DZ-0405 – Outcome-oriented extensive management of permanent grassland areas with proof of at least four regional indicator species	14.60	3.86	
DZ-0406 – Cultivation of arable or permanent crop areas of the farm without the use of chemical-synthetic plant protection products	14.03	7.77	
DZ-0407 – Application of land management methods determined by the conservation objectives on agricultural areas in Natura 2000 areas	5.32	7.91	
DK			2,620,000
10 – Eco-scheme for new regulatory model	12.96	16.47	
5 – Eco-scheme for organic area support	31.02	4.23	

Comparative analysis of the CAP Strategic Plans and their effective contribution
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Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
6 – Eco-scheme for environmentally and climate-friendly grass	24.32	7.56	
7 – Eco-scheme for intensification with mowing	10.97	1.45	
8 – Eco-scheme for plants	9.50	7.20	
9 – Eco-scheme for biodiversity and sustainability	11.22	1.91	
EE			985,460
ÖK1 – Climate and Environmental Plan: environmentally friendly management	52.09	0.00	
ÖK2 – Climate and Environmental Plan: Organic Farming Eco-Plan	33.29	0.00	
ÖK3 – Climate and Environmental Plan: Ecological Areas	10.47	42.87	
ÖK4 – Climate and Environment Plan: Conservation of Ecosystem Services on Agricultural Land	3.48	8.52	
ÖK5 – Climate and Environmental Plan: Support for Bee Foraging Areas	0.67	0.15	
EL			5,267,520
P1-31.1 – Use of resistant and adapted species and varieties.	9.90	1.83	
P1-31.10 – Protection of landscapes and environmentally significant agricultural systems	0.72	0.57	
P1-31.2 – Expansion of ecological focus areas	0.98	4.05	
P1-31.3 – Implementation of improved plant cover practices, with parallel enhancement of biodiversity	8.25	5.15	
P1-31.4 – Applications of circular economy in agriculture	4.35	2.31	
P1-31.5 – Improvement of agroforestry ecosystems, rich in landscape elements	3.06	2.46	
P1-31.6 – Support for producers to implement environmentally friendly management practices, using a digital application for managing inputs and monitoring environmental parameters	11.60	3.08	
P1-31.7 – Environmental management of livestock farming systems	4.98	7.62	
P1-31.8 – Conservation and protection of crops on lands with slopes	1.03	0.85	
P1-31.9 – Conservation of methods of organic agriculture and animal husbandry	55.12	10.36	
ES			24,434,630
1PD31001801V1 – Eco-Regime “Carbon Agriculture and Agroecology: Extensive Grazing, Mowing and Biodiversity in Wet Pasture Areas	9.32	6.79	
1PD31001802V1 – Eco-Regime “Carbon Agriculture and Agroecology: Extensive Grazing, Mowing, and Biodiversity on Mediterranean Pasture Surfaces”	10.41	11.48	
1PD31001803V1 – Eco-regime “Carbon Agriculture and Agroecology: Crop Rotation and Direct Seeding in Dryland Farming”	21.21	18.36	

Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
1PD31001804V1 – Eco-regime “Carbon farming and agroecology: crop rotations and direct seeding on humid rainfed cropland.”	3.38	1.70	
1PD31001805V1 – Eco-regime “Carbon agriculture and agroecology: rotations and direct sowing in irrigated croplands”	15.48	4.48	
1PD31001806V1 – Eco-regime: Carbon Agriculture: Vegetative covers and inert covers in woody crops on flat lands	6.61	4.18	
1PD31001807V1 – Eco-regime: Carbon Agriculture: Plant covers and inert covers in woody crops on medium slope lands	7.17	2.61	
1PD31001808V1 – Eco-regime: Carbon Agriculture: Vegetal covers and inert covers in woody crops on steep slopes	13.99	3.61	
1PD31001809V1 – Eco-regime “Agroecology: Biodiversity spaces in cultivated and permanent crops”	12.43	9.40	
FI			2,270,000
Eco-Scheme 02 – Conservation Grasslands	6.98	3.96	
Eco-Scheme 03 – Green manure grasslands	2.91	1.32	
Ecosystem 01 – Winter Vegetation Cover	81.40	61.67	
Eco-system 04 – Biodiversity plants	8.72	1.10	
FR			28,897,880
“practices” pathway		74.40	
“Elements favorable to biodiversity” pathway	19.21		
“environmental certification” pathway			
Bonus “Hedge”	0.00	20.07	
HR			1,506,210
31.01. – Intensified diversity of agricultural areas	43.93	42.04	
31.02. – Extensive management of pastures	10.34	6.43	
31.03. – Intensified maintenance of ecologically significant areas.	1.11	0.53	
31.04. – Use of manure on arable land	15.87	4.65	
31.05. – Minimum share of legumes of 20% within agricultural land	14.39	5.91	
31.06. – Conservation agriculture	8.00	1.99	
31.07. – Conservation of high natural value grasslands (HNV)	6.36	1.63	
HU			4,997,880
DP17_G01_ECOS_16 – Agro-ecological program	100.00	50.02	
IE			4,511,420
51ECO – Eco-Scheme	100.00	85.09	

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Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
IT			13,122,140
PD 04 – ES 5 – Eco-scheme 5 SPECIFIC MEASURES FOR POLLINATORS	4.93	0.71	
PD 05 – ES 1 – Eco-schema 1 Payment for the reduction of antimicrobial resistance and animal welfare	42.76	49.64	
PD 05 – ES 2 – Eco-scheme 2 Tree Crop Greening	17.64	9.53	
PD 05 – ES 3 – Eco-schema 3 Safeguarding of olive trees of particular landscape value	17.04	5.08	
PD 05 – ES 4 – Eco-schema 4 Extensive forage systems with rotation	18.61	10.65	
LT			2,942,780
TI05eko1.1 – Crop rotation in arable land activities	10.36	9.11	
TI05eko1.2 – Activities in arable land – Catch crops	18.45	6.64	
TI05eko1.4 – Activities in arable land – Use of certified seeds	4.21	13.20	
TI05eko1.5 – Maintenance of Landscape Elements	8.79	2.93	
TI05eko1.6 – Short-lived meadow strips	0.76	0.20	
TI05eko1.7 – Perennial grass strips	0.72	0.20	
TI05eko1.8 – Activities on arable land – Near-term sustainable agricultural technologies	21.00	16.07	
TI05eko10 – Organic farming (fruits, berries, vegetables, medicinal herbs, and spices)	4.32	0.35	
TI05eko2 – Management of orchards and berry plantations in an environmentally friendly way	0.31	0.16	
TI05eko3 – Sustainable Fruit, Berry and Vegetable Program (NKP)	1.86	0.27	
TI05eko4 – Replacement of peat soils with meadows	0.99	0.13	
TI05eko5 – Conversion of eroded land into meadows	0.17	0.03	
TI05eko6 – Comprehensive meadow and wetland maintenance plan	5.31	1.06	
TI05eko7 – Extensive management of wetlands	2.44	0.44	
TI05eko8 – Transition to organic farming	10.32	2.04	
TI05eko9 – Animal Welfare	9.97	10.06	
LU			132,140
1.02.512 – Aid for the establishment of non-productive areas	28.99	2.16	
1.02.513 – Aid for the establishment of non-productive strips	25.52	1.63	
1.02.514 – Aid for the abandonment of plant protection products	20.14	10.67	
1.02.515 – Support for the establishment of catch crops and undersowing on arable land.	16.13	7.49	
1.02.516 – Support for the use of synthetic pheromone diffusers in viticulture.	4.61	0.87	

Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
1.02.517 – Support for the establishment of refuge areas on mown meadows	0.46	0.58	
1.02.518 – Aid promoting the incorporation of manure	3.81	3.93	
1.02.519 – Assistance for the use of synthetic pheromone dispensers in arboriculture	0.34	0.06	
LV			1,969,000
TM4.1. – Support for environmentally and climate-friendly agricultural practices	21.78	19.71	
TM4.2 – “Ecologically Significant Areas”.	18.40	7.25	
TM4.4 – “Sustainable Agricultural Practices”	6.86	18.79	
TM4.5 – Nitrogen and ammonia emissions and pollution-reducing agricultural practices.	5.74	11.16	
TM4.6 – Promotion of grassland conservation	25.37	16.13	
TM4.7 – Agro-ecology practices in organic farms	21.84	16.35	
MT			10,700
DP ECO- Biodeg Mulch – Direct Payments (Eco-scheme: Biodegradable mulch)	5.73	2.52	
DP ECO-Biodiversity – Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	46.88	3.55	
DP ECO-IPM – Direct Payments (Eco-scheme: IPM)	47.39	4.49	
NL			1,814,450
I.31 – Eco-scheme for climate and environment.	100.00	83.94	
PL			14,483,370
“I 4.1 – Eco-scheme – Areas with honey-producing plants”	0.91	0.21	
“I 4.2 – Eco-scheme – Carbon farming and nutrient management”	64.09	70.02	
4.3 – Eco-scheme – Conducting plant production in the Integrated Plant Production system	0.94	0.17	
I 4.5 – Eco-Scheme – Water retention on permanent grasslands	2.24	2.17	
I 4.6 – Eco-Scheme – Animal Welfare	31.77	12.54	
Section 4.4 – Eco-scheme – Biological crop protection.	0.05	0.03	
PT			3,968,970
A.3.1 – Organic Farming (Conversion and Maintenance)	44.72	16.13	
A.3.2 – Integrated Production (PRODI) – Agricultural Crops	31.28	8.82	
A.3.3.1 – Soil management – Permanent pasture management.	7.26	7.31	
A.3.3.2 – Soil Management – Promotion of Organic Fertilization	3.35	3.02	

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Eco-scheme	Financial share of eco-scheme compared to MS total eco-scheme (%)	Share of eco-scheme (O.8) in total UAA (%)	UAA (ha)
A.3.4 – Improving animal feed efficiency to reduce greenhouse gas emissions	2.23	–	
A.3.5 – Animal Welfare and Rational Use of Antimicrobials	2.23	–	
A.3.6 – Practices promoting biodiversity	8.37	37.79	
RO			13,590,720
PD-04 – Beneficial practices for the environment applicable in arable land	66.98	41.53	
PD-05 – Practicing environmentally friendly agriculture in small farms (traditional households)	19.55	8.83	
PD-06 – Inter-row vegetation in orchards, vineyards, nurseries and hop fields	3.34	1.36	
PD-07 – Increasing the welfare level of dairy cows	5.83	2.10	
PD-08 – Measure for the welfare of young fattening cattle	4.30	1.41	
SE			3,005,540
CATCH CROP – The compensation for catch crops for carbon sequestration, catch crops and spring tillage for reduced nitrogen leakage	25.27	7.12	
EKO – Compensation for organic production	51.59	13.39	
PRECISION – Compensation for precision agriculture planning	23.14	36.60	
SK			1,910,040
31.1 – Celofarm ecological scheme	91.75	86.76	
31.2 – Good animal welfare conditions – Grazing farming	8.25	2.74	
SI			483,890
INP08.01 – Extensive grassland	15.26	14.47	
INP08.02 – Traditional use of grasslands	10.35	3.37	
INP08.03 – Organic fertilizer application with small air emissions	23.49	9.71	
INP08.04 – Additives for reducing ammonia and greenhouse gas emissions	5.87	3.00	
INP08.05 – Subsequent crops and undersowing.	15.14	4.63	
INP08.06 – Greening of arable land over winter	11.99	3.41	
INP08.07 – Conservation tillage	2.42	5.58	
INP08.08 – Patches of unplanted land for the corn bunting	1.00	0.41	
INP08.09 – Protection of nests of Northern Lapwing (Vanellus vanellus)	0.10	0.02	
INP08.10 – Use of only organic fertilizers to provide nitrogen in perennial crops	7.66	1.03	
INP08.11 – Conservation of biodiversity in perennial crops	6.71	1.03	

Source: Project team, based on approved CSP (January 2023)

A.10 Target values of result indicators used for clustering

Table A.18: Target values of result indicators used for clustering

Result Indicator Name	Risk management	Redistribution to smaller farms	Targeting farms in specific sectors (CIS)	Farm modernisation	Reducing emissions in the livestock sector	Carbon storage in soils and biomass	Investments related to climate	Improving and protecting soils	Protecting water quality	Development of organic agriculture	Preserving habitats and species
Result Indicator Code	R.5	R.6	R.8	R.9	R.13	R.14	R.16	R.19	R.21	R.29	R.31
AT	0.57	106.96	19.26	26.86	28.23	59.51	11.54	65.50	56.65	23.66	20.65
BE-FL	12.01	101.50	10.94	35.40	2.81	27.87	17.55	19.34	25.00	5.00	9.55
BE-WA	0.12	108.76	50.49	9.61		68.53	2.73	65.80	31.04	17.99	25.86
BG	29.60	161.77	16.28	2.29		15.87	0.24	61.83	12.56	3.98	7.84
CY	0.43	106.18	4.87	2.56		8.95	0.89	21.47	17.99	8.95	10.20
CZ	0.70	142.58	54.16	18.46		69.89	12.11	85.07	25.39	21.28	34.45
DE	6.47	113.89	17.79	5.97		27.72	2.44	28.92	30.73	12.05	45.19
DK	0.01	107.17	21.71	1.00		47.90	6.85	31.42	36.57	15.36	21.72
EE	0.07	112.53	48.12	6.17		79.22	1.35	79.62	77.70	23.27	79.12
EL	0.07	115.31	28.49	1.59	15.71	47.50	0.03	40.69	35.69	16.41	28.19
ES	4.23	150.00	33.76	7.64	0.12	32.11	7.19	43.23	3.77	5.14	16.00
FI	0.02	105.88	33.99	6.57	46.52	76.96	4.16	73.93	92.22	19.44	64.12
FR	95.00	106.58	51.99	16.18		26.24	5.17	74.07	4.98	11.71	55.67
HR	7.07	107.82	28.11	2.08	39.62	45.86	0.20	47.86	12.63	12.08	9.84
HU	10.31	112.25	18.32	3.20	13.37	21.14	3.16	30.48	25.24	5.26	29.95

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Result Indicator Name	Risk management	Redistribution to smaller farms	Targeting farms in specific sectors (CIS)	Farm modernisation	Reducing emissions in the livestock sector	Carbon storage in soils and biomass	Investments related to climate	Improving and protecting soils	Protecting water quality	Development of organic agriculture	Preserving habitats and species
Result Indicator Code	R.5	R.6	R.8	R.9	R.13	R.14	R.16	R.19	R.21	R.29	R.31
IE	0.01	105.42	0.87	3.63		8.88	15.05	10.61	31.83	7.46	38.73
IT	69.54	111.49	52.71	2.66		38.29	0.13	38.64	25.00	11.88	21.51
LT	0.59	116.09	30.93	1.27	17.02	28.21	0.14	37.42	24.85	12.84	18.27
LU		101.48	44.71	18.61		91.99	7.44	91.99	91.99	19.84	36.91
LV	3.29	106.30	21.97	16.36	29.34	38.48	1.07	69.73	24.36	18.78	23.49
MT		122.14	3.95	1.25		5.97	0.14	11.04	10.47	2.54	10.59
NL	9.41	115.92		7.66		64.18	3.62	60.56	57.81	6.00	60.56
PL	0.48	102.43	24.92	3.28		37.96	1.12	31.55	31.55	4.53	19.81
PT	11.92	162.00	13.90	15.42	10.34	39.70	0.42	29.85	23.65	19.18	28.10
RO	0.73	115.87	1.22	0.14		49.16	0.00	56.03	8.09	3.53	7.93
SE	0.01	97.46	22.96	7.39		21.33	0.60	22.41	51.75	14.54	29.11
SI	0.01	98.59	35.26	6.28	7.91	45.50	2.14	43.16	43.05	16.99	18.33
SK	8.11	125.51	16.34	9.74	8.43	25.17	3.45	20.05	32.82	14.09	50.94

This study provides a comparative assessment of the 28 Common Agricultural Policy Strategic Plans of the EU Member States. It assesses the main features of the regulatory framework for the 2023-2027 period including the approval process of the plans and provides an overview of the financial allocations of the 28 Strategic Plans and the specificities of their implementation. The study provides a first evaluation of the relevance of the Strategic Plans and their contribution to the objectives of the European Green Deal. It concludes with an overall analysis of the added value of the new delivery model and a set of policy recommendations.

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