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THE COMMON AGRICULTURAL POLICY STRATEGIC PLANS REGULATION

Under the common agricultural policy (CAP), each EU Member State is required to draw up a CAP strategic plan (CSP) setting out how they will direct the CAP's funding instruments (i.e. farmer income support and market and rural development measures) to address their local needs and achieve tangible results on EU-level objectives. This new delivery model provides for greater flexibility and subsidiarity in assigning responsibilities to the Member States.

LEGAL BASIS

The legal basis for the CAP is established in the [Treaty on the Functioning of the European Union](#) (Articles 38-44) ([3.2.1](#)).

[Regulation \(EU\) 2021/2115](#) of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

In addition to this CSP Regulation, the CAP 2023-2027 is covered by two other regulations: [Regulation \(EU\) 2021/2116](#), repealing Regulation (EU) 1306/2013 on the financing, management and monitoring of the CAP ([3.1.5](#)) and [Regulation \(EU\) 2021/2117](#) ([3.1.6](#)) amending Regulation (EU) 1308/2013 on the common organisation of the agricultural markets; Regulation (EU) No 1151/2012 on quality schemes for agricultural products; Regulation (EU) No 251/2014 on geographical indications for aromatised wine products; and Regulation (EU) No 228/2013 laying down measures for agriculture in the outermost regions of the EU.

INTRODUCTION

The CAP's previous legal framework (2014-2020) was principally governed by four EU regulations: (i) [Regulation \(EU\) No 1307/2013](#) covering direct payments to farmers; (ii) [Regulation \(EU\) No 1308/2013](#) establishing a common organisation of the markets in agricultural products; (iii) [Regulation \(EU\) No 1306/2013](#) covering horizontal issues such as the financing, management and monitoring of the CAP; and (iv) [Regulation \(EU\) No 1305/2013](#) dealing with rural development.



These regulations set up a policy framework based on a two-pillar structure: one regulating farmers' income support and measures to manage agricultural markets, solely funded by the EU budget, and one for rural development measures based on multiannual national (and sometimes regional) programmes, co-financed by the EU budget and the EU Member States.

While the new CAP (2023-2027) retains its two key components (agricultural income/market support and rural development), interventions under both are now combined in one strategic plan for all CAP expenditure, thereby achieving better policy coherence. The CSP Regulation introduces a new delivery model, described by the Commission as a fundamental shift in the CAP, involving a move from compliance towards results and performance. It includes a new distribution of responsibilities between the EU and the Member States.

To structure the programming and approval process, the Commission analysed the situation of different Member States along the performance monitoring and evaluation framework (PMEF) context indicators, providing country-specific recommendations in key strategic issues. Recommendations were tied to the CAP's specific objectives, as well as the targets of the European Green Deal, the farm to fork strategy and the biodiversity strategy for 2030.

Following its adoption in December 2021, the CSP Regulation applies as of 1 January 2023 and the CSPs are being implemented in all Member States since 1 January 2023.

OBJECTIVES AND TYPES OF INTERVENTIONS

The new CAP is structured around ten specific objectives, nine being organised around three general objectives underlining the overall EU goal 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 CSPs, providing a framework for the Member State's interventions. The interventions provided for in the new CAP are organised along three main categories: direct payment interventions (EAGF); sectoral interventions (EAGF) and rural development interventions (EAFRD) ([3.2.11](#); [3.2.12](#)).

KEY AREAS OF REFORM

A key feature of the CAP 2023-2027 is the **new delivery model** which grants greater flexibility to Member States in drawing up a strategic plan covering all interventions designed to meet quantified targets linked to EU-level CAP objectives. The new CAP is implemented via the 28 CSPs (one per Member State, except for Belgium which has two strategic plans), in many cases tying the previously multi-regional programmes into one per Member State.

With a focus on **performance and results**, the CAP legislation lays down a common set of indicators as part of a new PMEF, which outlines a set of output, result and impact indicators tied to the interventions and specific objectives of the CAP. Included



in the annexes of Regulation (EU) 2021/2115, the PMEF indicators provide the basis for the reporting, monitoring and evaluation of the CSPs during their implementation. The indicators will be monitored through annual performance reports and a biannual review of the performance of CSPs to assess the progress of Member States in reaching their targets and the objectives of the CAP.

From changes to 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. A greener CAP

In its CSP, each Member State is obliged to display a higher ambition on environment and climate action compared to the previous programming period (no 'backsliding') and is required to update the plan when climate and environmental legislation is modified.

- **Contribution to the European Green Deal targets:** in its [recommendations](#) to the Member States on their strategic plans, the Commission included the assessment of the situation of each Member State in the light of its contribution to each of the European Green Deal targets and ambitions;
- **Enhanced conditionality:** beneficiaries of the CAP have their payments linked to a stronger set of mandatory requirements. For example, on every farm at least 3% of arable land is dedicated to biodiversity and non-productive elements, with the possibility of receiving support via eco-schemes to achieve 7%. Wetlands and peatlands are also protected;
- **Eco-schemes:** at least 25% of the budget for direct payments is allocated to eco-schemes, providing stronger incentives for climate and environmentally friendly farming practices and approaches (such as organic farming, agro-ecology, carbon farming, etc.) as well as improvements to animal welfare;
- **Rural development:** at least 35% of funds are allocated to measures to support the climate, biodiversity, the environment and animal welfare;
- **Operational programmes:** in the fruit and vegetables sector, operational programmes allocate at least 15% of their expenditure towards the environment;
- **Climate and biodiversity:** 40% of the CAP budget has to be climate-relevant and strongly support the general commitment to dedicate 10% of the EU budget to biodiversity objectives by the end of the EU's 2021-2027 multiannual financial framework (MFF) period.

B. A fairer CAP

The CAP 2023-2027 directs support to those who need it most:

- **Redistribution of income support:** Member States have to dedicate at least 10% of their direct payments to the redistributive income support tool to better address the income needs of smaller and medium-sized farms;
- **Active farmers:** the new legislation contains a mandatory but flexible definition of an active farmer to be established by Member States, including the level of activities undertaken. Only active farmers may receive certain EU support;



- **Social conditionality:** CAP payments are linked to the respect of certain EU labour standards and beneficiaries are incentivised to improve working conditions on farms;
- **Convergence of payments:** in the CAP 2023-2027, levels of income support converge more, both between and within individual Member States;
- **Supporting young farmers:** Member States have to distribute at least 3% of their direct payments budget towards young farmers, in the form of income or investment support, or start-up aid for young farmers;
- **Improving the gender balance:** gender equality and increasing the participation of women in farming are, for the first time, part of the CSP objectives. Member States must assess these issues and address the identified challenges by the end of the EU's 2021-2027 MFF period.

C. Improving competitiveness:

The CAP 2023-2027 will strengthen the position of farmers in the supply chain and boost the competitiveness of the agri-food sector:

- **Improved bargaining power:** the new rules reinforce producer cooperation, encouraging farmers to work together and enabling them to create countervailing power in the market;
- **Market orientation:** the CAP 2023-2027 maintains the overall market orientation from the previous reforms, encouraging EU farms to align supply with demand in Europe and beyond;
- **Crisis reserve:** to cope with future crises, the reformed CAP includes a new financial reserve amounting to at least EUR 450 million per year;
- **Support for the wine sector:** specific rules have been agreed to improve support for the wine sector.

PERFORMANCE ASSESSMENT AND EVALUATION

In June 2023, the Commission published a [summary overview](#) of the approved 28 CSPs to outline the key elements and choices set out by the Member States in their plans. A [study](#) commissioned by Parliament provided a comparative analysis of the plans and their effective contribution to achieving the EU objectives. A more detailed Commission report on the 28 CSPs is scheduled to be published before the end of 2023 (Article 141(2) of the CSP Regulation).

By 31 December 2025, the Commission should submit a report to Parliament and the Council in order to assess the operation of the new delivery model by the Member States and the consistency and combined contribution of the interventions in Member States' CSPs to achieving environmental and climate-related EU commitments.

The Commission should carry out an interim evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of the EAGF and the EAFRD by 31 December 2026, to be followed by a report on the interim evaluation, including first results on the performance of the CAP, to Parliament and the Council by



31 December 2027. A second report including an assessment of the performance of the CAP should be presented by 31 December 2031.

ROLE OF THE EUROPEAN PARLIAMENT

On 1 June 2018, the Commission published its proposal for a regulation establishing rules on support for strategic plans to be drawn up by Member States under the CAP. In Parliament, the file was assigned to the Committee on Agriculture and Rural Development (AGRI). The Committee on the Environment, Public Health and Food Safety (ENVI) obtained the status of associated committee under Rule 54 of the Rules of Procedure.

Following the 2019 European elections, Peter Jahr (EPP, Germany) was appointed as AGRI rapporteur in September 2019, while Christophe Hansen (EPP, Luxembourg) was appointed as ENVI rapporteur. On 23 October 2020, Parliament adopted its first reading position on the Commission's legislative proposal for the CSPs.

The adopted text constituted the basis for the subsequent negotiations with the Council, which began for all three CAP files on 10 November 2020 and continued through a series of 'trilogue' meetings. In late June 2021, negotiators reached an agreement on the three proposals of the CAP reform package. This agreement was endorsed by EU agriculture ministers on 28 June 2021 and by AGRI members on 9 September 2021. The agreement on the CSP Regulation was approved by AGRI members, with 38 votes in favour to 8 against, and 2 abstentions. Parliament voted on the three proposals of the CAP reform package during its November II plenary session. The Council's formal adoption of the three regulations took place without debate on 2 December 2021 and the CSP Regulation, now Regulation (EU) 2021/2115 of 2 December 2021, was published in the Official Journal L 435 of 6 December 2021 (p. 1-186).

During the negotiations, Parliament sought to play a broad role, covering the full spectrum of issues on the table during the CAP reform process. Adopting the role of guardian of EU principles, in addition to the more traditional role of guardian of the CAP budget, Parliament sought to maintain the EU character and commonality of different parts of the proposed legislation to avoid a 'renationalisation' of the CAP. Moreover, in some instances, it took the lead as policy initiator, as illustrated by its efforts to ring-fence a high share of the direct payments budget for the new eco-schemes or by successfully introducing social conditionality into the new CSP Regulation.

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