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Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2018/0216(COD) Regulation</p>	Awaiting Parliament's position in 1st reading
<p>Support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) 2021-2027</p> <p>Repealing Regulation (EU) No 1307/2013 2011/0280(COD) Repealing Regulation (EU) No 1305/2013 2011/0282(COD)</p> <p>Subject 3.10 Agricultural policy and economies 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD) 3.10.13 European Agricultural Guidance and Guarantee Fund, EAGGF and EAGF</p> <p>Legislative priorities Multiannual Financial Framework 2021-2027</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Agriculture and Rural Development (Associated committee)	 JÄHR Peter	18/09/2019
		Shadow rapporteur	
		 NOICHL Maria	
		 HLAVÁČEK Martin	
		 LEBRETON Gilles	
		 HÄUSLING Martin	
		 RUISSSEN Bert-Jan	
		 FLANAGAN Luke Ming	
	Former committee responsible		
 Agriculture and Rural Development (Associated committee)	 HERRANZ GARCÍA Esther	04/07/2018	
Committee for opinion	Rapporteur for opinion	Appointed	
 Development			
 International Trade	The committee decided not to give an opinion.		
 Budgets			
 Budgetary Control			

Council of the European Union European Commission European Economic and Social Committee	ENVI Environment, Public Health and Food Safety (Associated committee)	16/09/2019	 HANSEN Christophe
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
	REGI Regional Development	02/07/2019	 ROPÉ Bronis
	FEMM Women's Rights and Gender Equality	17/06/2020	 SCHNEIDER Christine
	Former committee for opinion		
	ENVI Environment, Public Health and Food Safety (Associated committee)	03/07/2018	PPE LA VIA Giovanni
	DEVE Development	11/07/2018	Verts/ALE HEUBUCH Maria
	INTA International Trade		
	BUDG Budgets	11/07/2018	ALDE ALI Nedzhmi
	CONT Budgetary Control	05/07/2018	PPE ZELLER Joachim
	ITRE Industry, Research and Energy		
	REGI Regional Development	20/06/2018	Verts/ALE ROPÉ Bronis
	FEMM Women's Rights and Gender Equality	04/09/2018	PPE PETIR Marijana
	Commission DG Agriculture and Rural Development	Commissioner HOGAN Phil	

Key events

01/06/2018	Legislative proposal published	COM(2018)0392	Summary
11/06/2018	Committee referral announced in Parliament, 1st reading/single reading		
05/07/2018	Referral to associated committees announced in Parliament		
02/04/2019	Vote in committee, 1st reading/single reading		
23/05/2019	Committee report tabled for plenary, 1st reading/single reading	A8-0200/2019	Summary
21/10/2019	Committee referral announced in Parliament, 1st reading/single reading		

Forecasts

20/10/2020	Debate in plenary scheduled
23/10/2020	Vote in plenary scheduled

Technical information	
Procedure reference	2018/0216(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealing Regulation (EU) No 1307/2013 2011/0280(COD) Repealing Regulation (EU) No 1305/2013 2011/0282(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 043-p2; Treaty on the Functioning of the EU TFEU 042-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	AGRI/9/00350

Documentation gateway					
Legislative proposal		COM(2018)0392	01/06/2018	EC	Summary
Document attached to the procedure		SWD(2018)0301	01/06/2018	EC	
Economic and Social Committee: opinion, report		CES3141/2018	17/10/2018	ESC	
Reasoned opinion	FR_ASSEMBLY	PE627.925	24/10/2018	NP	
Court of Auditors: opinion, report		N8-0019/2019 OJ C 041 01.02.2019, p. 0001	25/10/2018	CofA	Summary
Committee draft report		PE627.760	29/10/2018	EP	
Committee opinion	BUDG	PE625.573	22/11/2018	EP	
Committee of the Regions: opinion		CDR3637/2018	05/12/2018	CofR	
Committee opinion	CONT	PE631.922	30/01/2019	EP	
Committee opinion	DEVE	PE629.646	12/02/2019	EP	
Committee opinion	FEMM	PE630.397	04/03/2019	EP	
Committee opinion	REGI	PE629.641	08/03/2019	EP	
Committee opinion	ENVI	PE630.523	04/04/2019	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0200/2019	23/05/2019	EP	Summary
Supplementary legislative basic document		COM(2020)0459	29/05/2020	EC	Summary

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

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

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

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

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

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

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

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

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

The future CAP shall focus on nine specific objectives:

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

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

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

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

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

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

The proposal provides inter alia for:

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

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

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

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

For rural development, it is proposed to rebalance the financing between the EU and Member States budgets. Less developed regions should

continue to benefit from higher co-financing rates, which will also apply to certain interventions such as LEADER and the payments for management commitments.

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

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

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

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

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

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

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

General objectives

These seeks to:

- foster a modern, competitive, resilient and diversified agricultural sector ensuring long term food security while safeguarding the family farm model;
- support and improve environmental protection, biodiversity and climate action and to contribute to the environmental- and climate-related objectives of the Union;
- strengthen the socio-economic fabric of rural areas, in order to contribute to the creation and maintenance of employment, by guaranteeing a viable income for farmers, pursuing a fair standard of living for the entire agricultural population and tackling rural depopulation, with a particular focus on the less populated and the less developed regions, and balanced territorial development.

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

Financial provisions

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

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

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

Reduced direct payments and support to young farmers

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

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

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

Strategic plans - new delivery model postponed until 2022

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

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

Gender equality and non-discrimination

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

racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of CAP strategic plans.

Climate and the environment

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

Transfer between pillars

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

Mid-term review

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

Reports

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

2018/0216(COD) - 29/05/2020 Supplementary legislative basic document

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

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

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

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

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

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

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

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

- enable the implementation of the measures laid down in the proposal for a Regulation establishing an EU Recovery Instrument through the mechanisms for implementing the EAFRD;
- enable financing from the EU Recovery Instrument as external assigned revenues in accordance with Article 21(5) of the Financial Regulation.

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

Budgetary implications

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

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

- 2022: EUR 8 117 million;
- 2023: EUR 4 140 million;
- 2024: EUR 4 226 million

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

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

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

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