

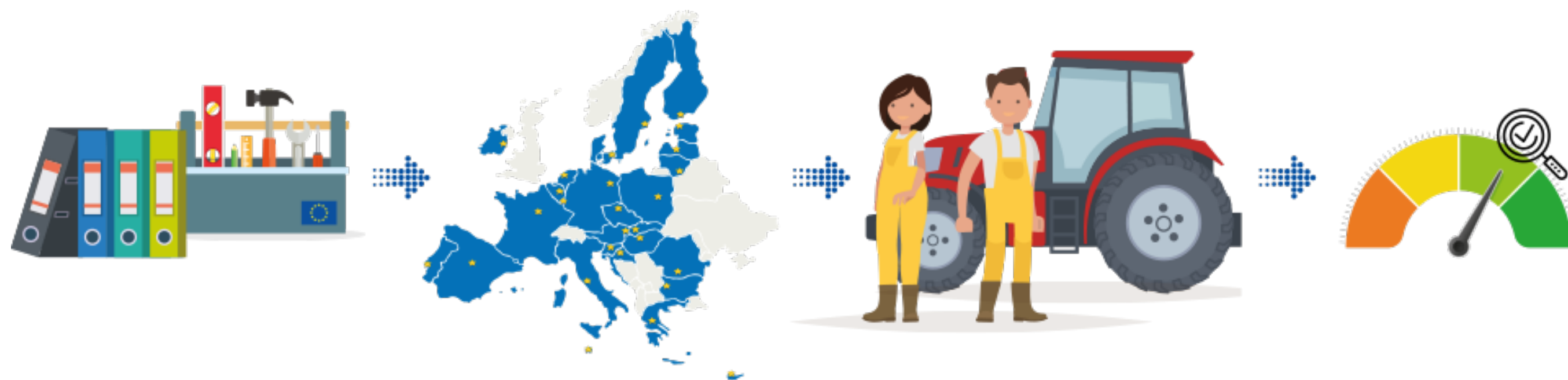
EU Budget: the CAP after 2020



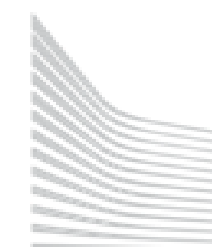
MODERNISING & SIMPLIFYING THE COMMON AGRICULTURAL POLICY
TARGETED, FLEXIBLE, EFFECTIVE



A STRONG BUDGET
FOR A STRONG CAP



#FutureofCAP



European
Commission

The Future CAP in a nutshell



THE FUTURE CAP PRIORITIES AT A GLANCE

- *Simplification and modernisation of the CAP*
- *Support to the development of a knowledge-based agriculture*
- *Higher ambitions on environment and climate*
- *A fairer and more effective distribution of support across MS and farmers*



WHY: LESSONS LEARNT FROM ASSESING THE CAP

Analysis and wide public consultation confirm major achievements of the CAP...

- Increase in EU competitiveness turned the EU into a net agro-food value-added exporter
- Positive impact on jobs, growth and poverty reduction spread in all EU rural areas
- Relative income stability within a very volatile farm-income and commodity-price environment

...but analysis and public opinion also reveal shortcomings to be addressed...

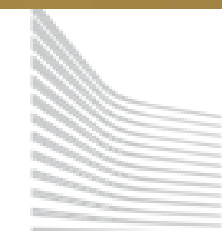
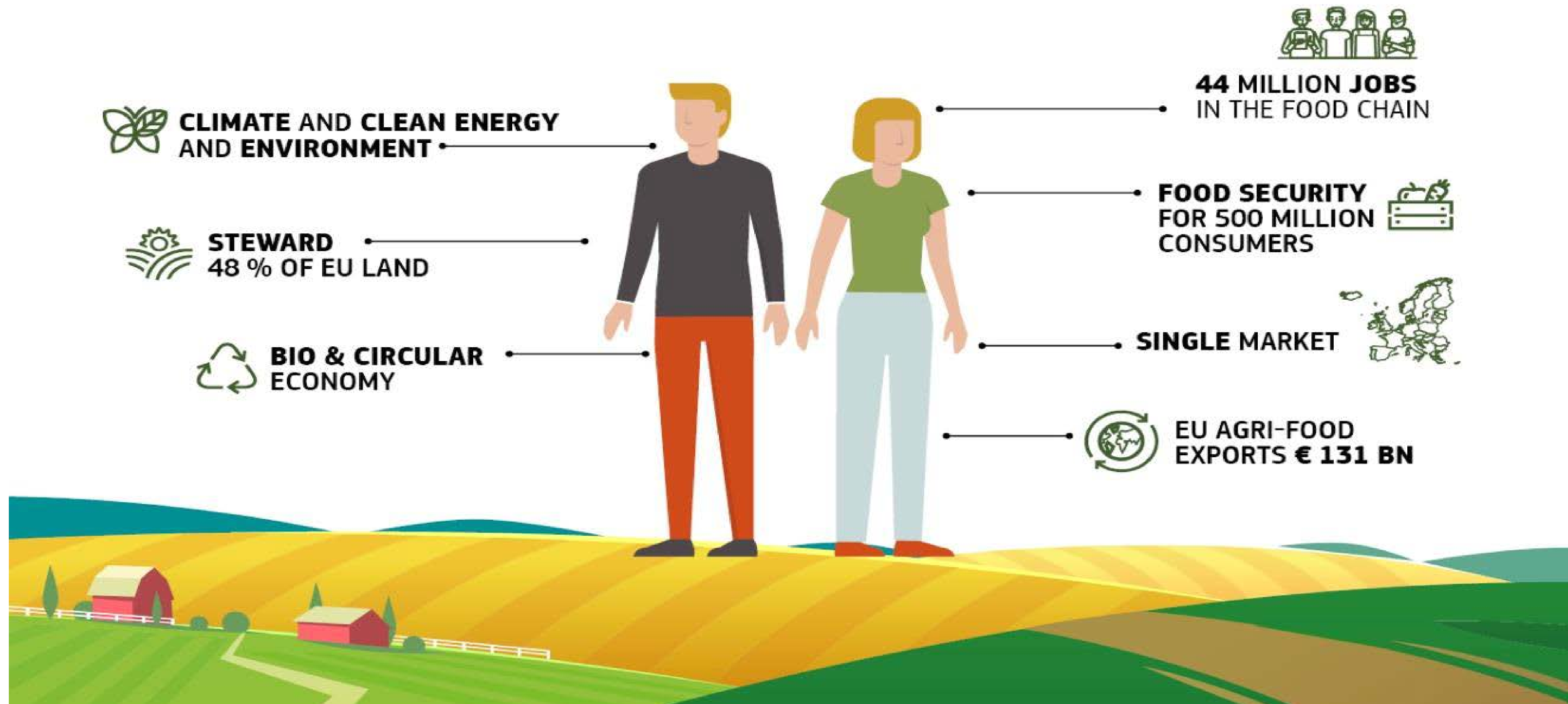
- Despite progress, the environmental performance of EU agriculture requires improvement
- Productivity growth is mainly driven by labour outflow and less by R&I or investment
- Equity, safety net and simplicity questions persist despite CAP efforts to address them

...in a changing broader environment within which the CAP operates

- Expectations about the level of agricultural and commodity prices changed from CAP post-2013
- The world trade environment has shifted from multilateral to bilateral/regional agreements
- New climate change, environmental and sustainability commitments stem from COP21 and SDGs

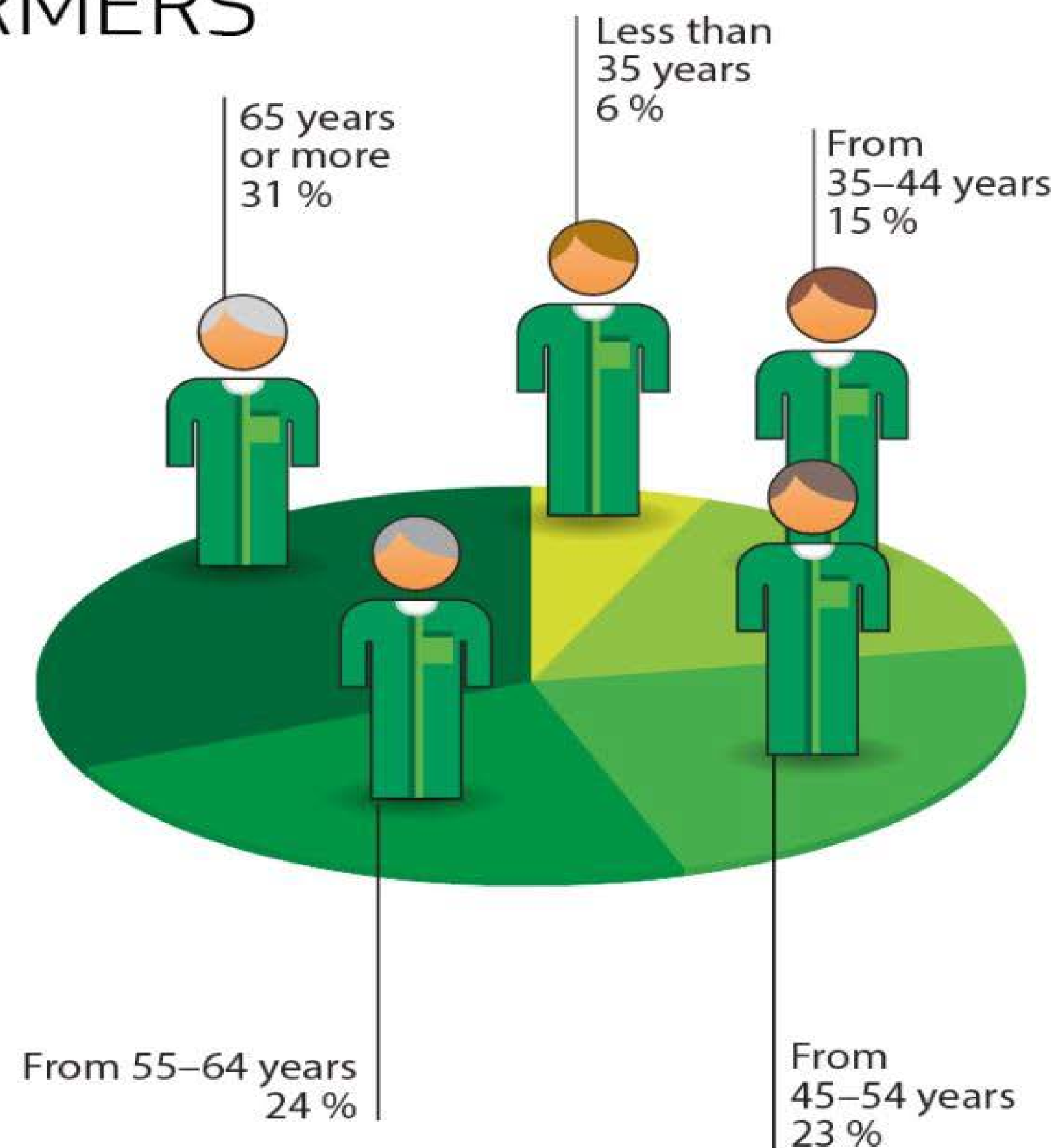


THE CONTRIBUTION OF EU AGRICULTURE TODAY

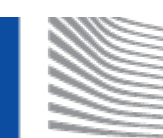


European
Commission

FARMER POPULATION SKEWED TOWARDS OLDER FARMERS

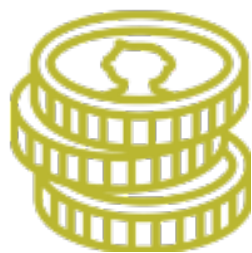


Source: Eurostat, FSS, 2013



European
Commission

Agriculture and
Rural Development



THE CAP IN THE MFF CONTEXT

Continuity within new EU priorities in a post-BREXIT MFF

- A 5% cut in expenditure, but a more targeted approach to improve efficiency and performance
- The "C" in the CAP remains strong, implies a better sharing of responsibilities between EU and MS
- Better link to other policies (esp. environment, climate, research, health) improves mutual efficiency

Main changes in the CAP

- Stronger environmental/climate ambition with conditionality, eco-schemes and strategic plans
- Specifying the objectives that add EU value render the CAP more sustainable, simpler and modern
- Better targeting of support improves synergies between the economy and the environment

Main expected impact from changes

- Stronger reliance on research, knowledge transfer and digital economy to modernise CAP and sector
- A needs-based approach increases subsidiarity and flexibility to promote common EU objectives
- The CAP shift from compliance to performance parallels MFF shift towards more focus on incentives



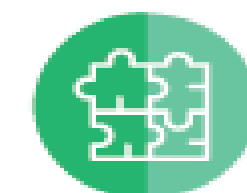
CAP budget level and distribution

In billion euro, current prices



**I. SINGLE MARKET,
INNOVATION AND DIGITAL**
€187.4

- 1** Research and Innovation
- 2** European Strategic Investments
- 3** Single Market
- 4** Space



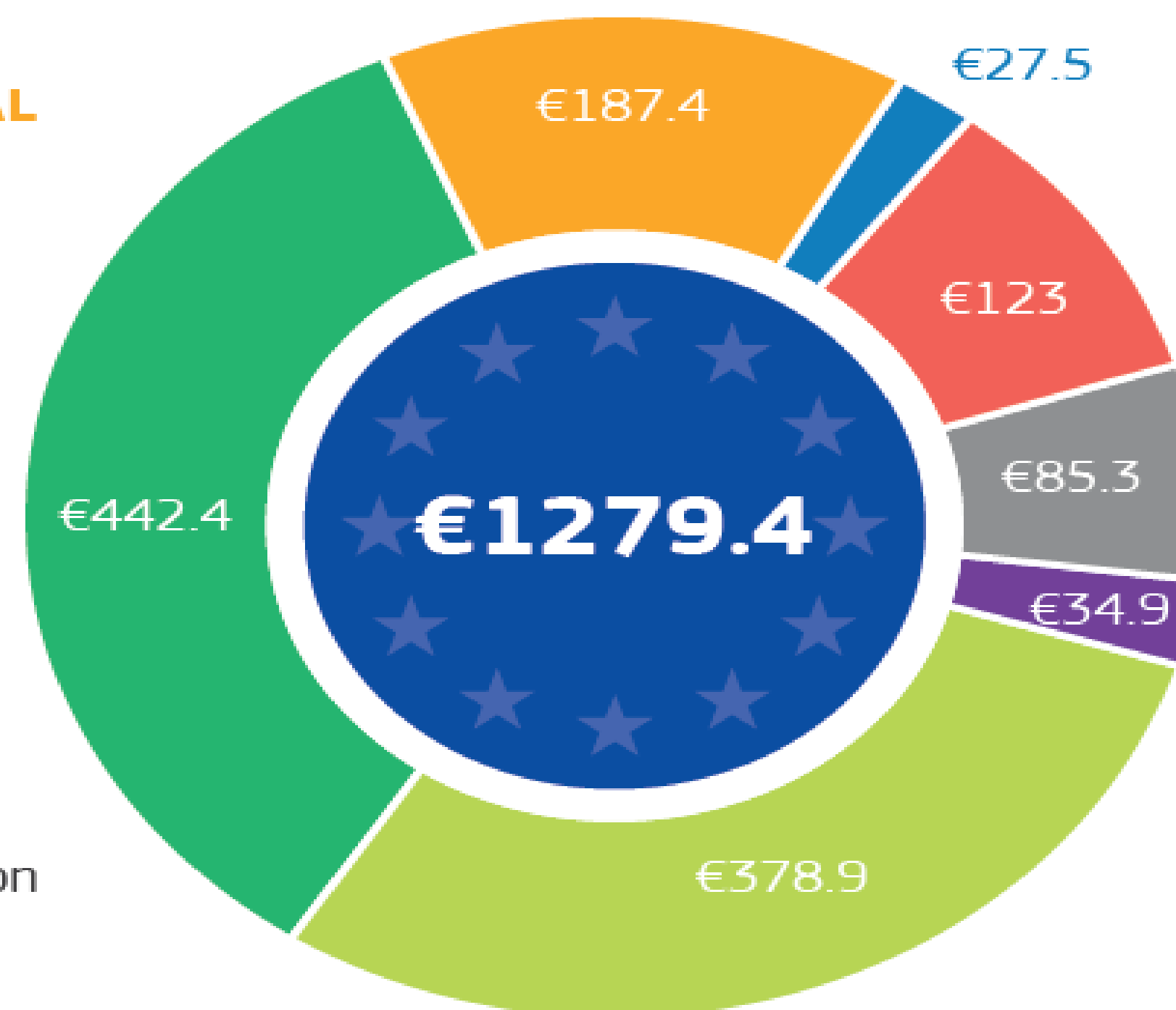
**II. COHESION AND
VALUES**
€442.4

- 5** Regional Development and Cohesion
- 6** Economic and Monetary Union
- 7** Investing in People,
Social Cohesion and Values



**III. NATURAL RESOURCES
AND ENVIRONMENT**
€378.9

- 8** Agriculture and Maritime Policy
- 9** Environment and Climate Action



**IV. MIGRATION AND
BORDER MANAGEMENT**
€34.9

- 10** Migration
- 11** Border Management



**V. SECURITY
AND DEFENCE**
€27.5

- 12** Security
- 13** Defence
- 14** Crisis Response



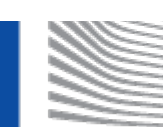
**VI. NEIGHBOURHOOD
AND THE WORLD**
€123

- 15** External Action
- 16** Pre-Accession Assistance



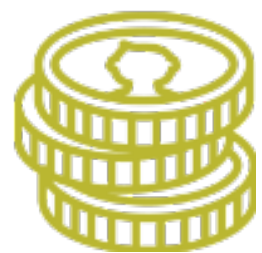
**VII. EUROPEAN PUBLIC
ADMINISTRATION**
€85.3

- 17** European Public Administration

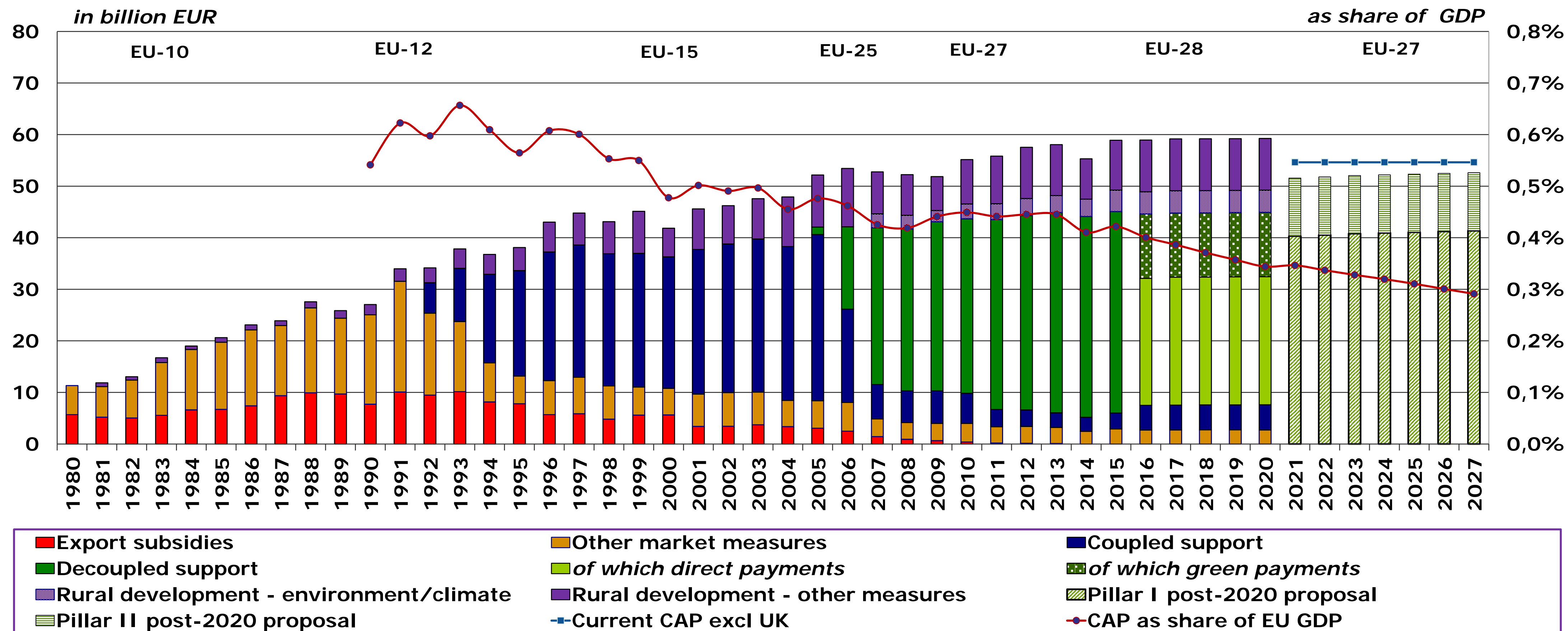


**European
Commission**

Agriculture and
Rural Development



HOW MUCH: CAP BUDGET IN PERSPECTIVE (current prices)

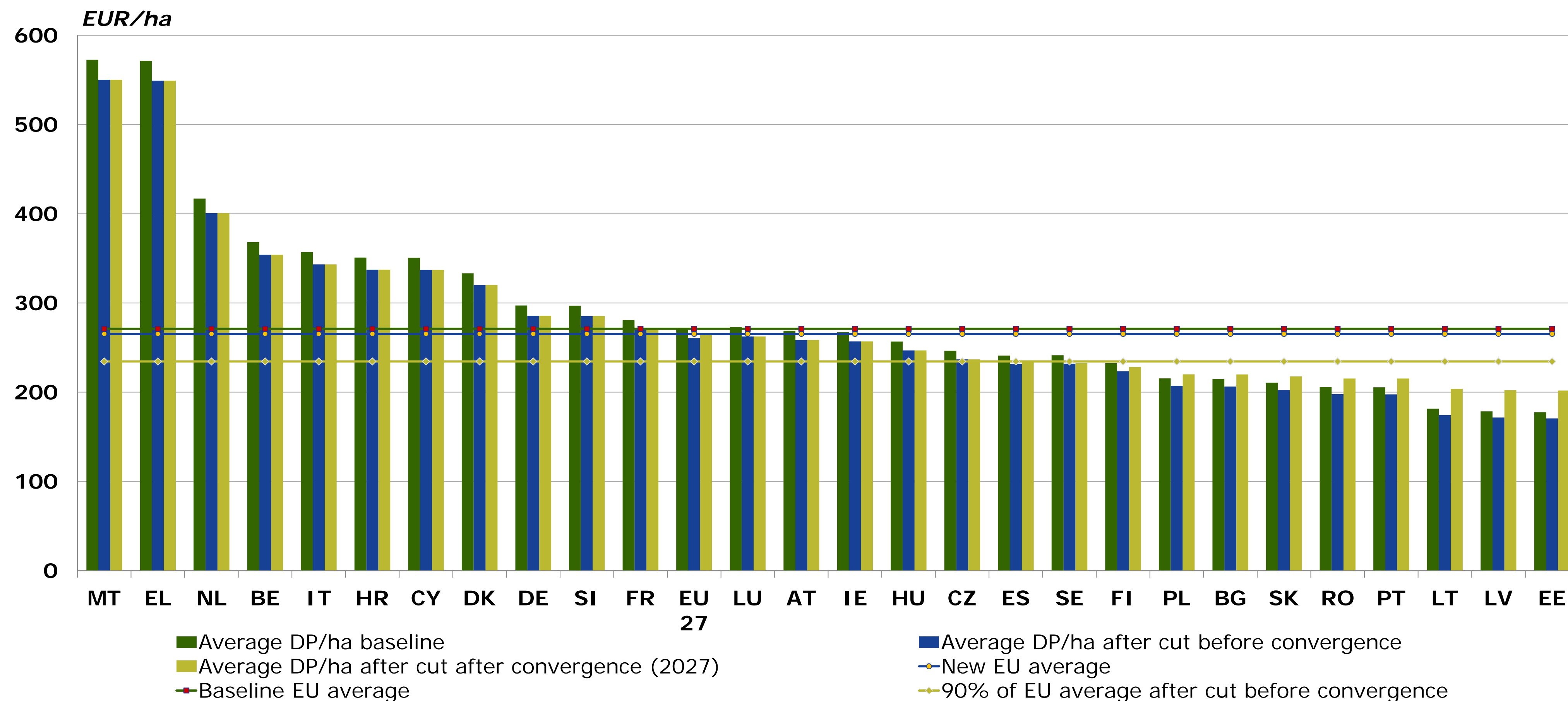


Source: EC-DG AGRI.

Note: Budget figures are actual until budget year 2016, programmed from 2017-2020, and based on the MFF proposal for 2021-2027.



HOW MUCH: CONVERGENCE OF DIRECT PAYMENTS (2027)



Source: EC-DG AGRI.

Note: Direct payment amounts exclude payments for cotton.



CAP objectives and priorities





WHAT FOR: THE NEW ARCHITECTURE OF CAP OBJECTIVES

Policy Objectives

- Foster a smart and resilient agricultural sector ensuring food security
- Bolster environmental care & climate-action and contribute to the relevant EU objectives
- Strengthen the socio-economic fabric of rural areas

Specific Objectives

Economic

- Support viable farm income and resilience throughout the territory
- Enhance competitiveness and market orientation
- Improve farmers position in value chains

Environment & Climate

- Contribute to climate change mitigation and adaptation
- Foster sustainable and efficient management of resources
- Preserve nature and landscapes

Social

- Attract new farmers, facilitate business development & generational renewal
- Promote employment, growth and local development and address poverty in rural areas
- Address societal demands on food and health, food waste, and animal welfare

Cross-Cutting Objectives

Sustainability

- Enhance sustainable development of farming, food and rural areas

Simplification

- Address simplification and policy performance

Modernisation

- Foster knowledge, innovation, digitalisation in agriculture and rural areas



WHAT FOR: PRIORITIES OF THE FUTURE CAP

Strengthening environment and climate action

- *EU sets wide objectives and list of available types of intervention on air, water, soil, biodiversity*
- *MS Strategic plans define the pertinent actions to meet EU objectives based on MS specific needs*
- *Farmers apply for schemes and comply with stringent environmental criteria defined by EU/MS*

Aké sú výzvy v environmentálnej oblasti spojené s agrosektorom na Slovensku?

Priorita produkcie, zamestnanosti – envi opatrenia ako záťaž/obmedzenie?

Biodiverzita a funkčné ekosystémy ako problémy iného rezortu
(kompenzácie Natura 2000, opatrenia k ochrane druhov....)

Nastavené tak, aby nebolo pre agri-sektor problémom z hľadiska ekonomiky resp.
používaných postupov (technológie apod.) – vyžaduje zmenu prístupu?
Pre malých farmárov môže byť hlavnou činnosťou

THE BENEFITS OF **SMART AGRICULTURE**



Increased **PRODUCTION**

Optimised planting, treatment application and harvesting improve yields.



Real-Time Data and **PRODUCTION INFO**

Real-time access to information on sunlight intensity, soil moisture, herd management and more for better and faster decision making.



Lower **WATER CONSUMPTION**

Lower water consumption due to soil moisture sensors and more accurate weather forecasting.



Lowered **PRODUCTION COST**

Better resource efficiency, automatised processes in livestock management, less waste, etc. lead to lower production costs.

Predpoklady pre zavádzanie smart agriculture
na Slovensku?

Odborná a podporná infraštruktúra

Investičná podpora?

Výchova, vzdelávanie, expertná báza?

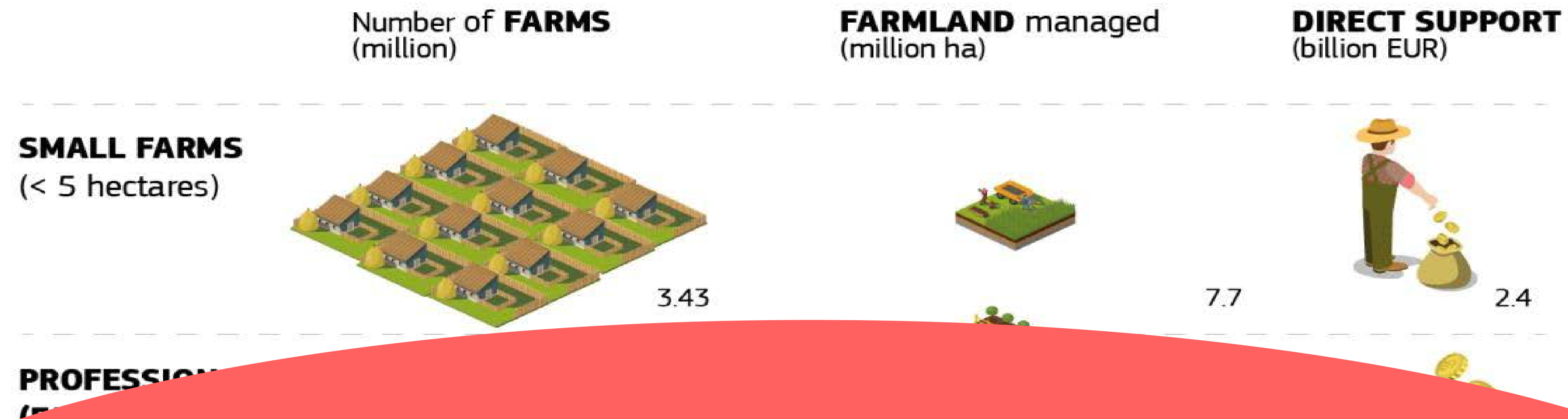


FOR WHOM: A FAIRER AND MORE TARGETED DISTRIBUTION

- **Reduction** of all direct payments **above EUR 60 000 and capping at 100 000**
 - taking into account salaries and labour costs
- Complementary **redistributive income** support for sustainability
- Allocation of income support to **'genuine' farmers (to be defined by MS)**
- Additional amount per hectare, **shift from bigger to smaller and medium-sized farms**
- Complementary income support for **young farmers (min 2%)**
- **Convergence of income support within Member States (internal convergence):**
 - no payment entitlement with a value < 75% of the average (by 2026 at latest)
 - maximum per entitlement
- **Convergence between Member States (external convergence):**
 - for all Member States with direct payments below 90% of the EU-27 average, the gap between their current level and 90% of that average will be closed by half over 6 years

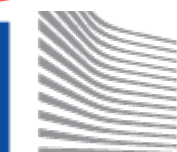


DISTRIBUTION OF EU DIRECT SUPPORT TO FARMERS



Degresívne platby a capping – aký je prístup Slovenska?
Dopady v prípade započítania personálnych nákladov nie sú veľké.
Významné pre podporu malých farmárov, u ktorých produkcia je menej významnou zložkou (manažment krajiny, envi opatrenia)?

Source:



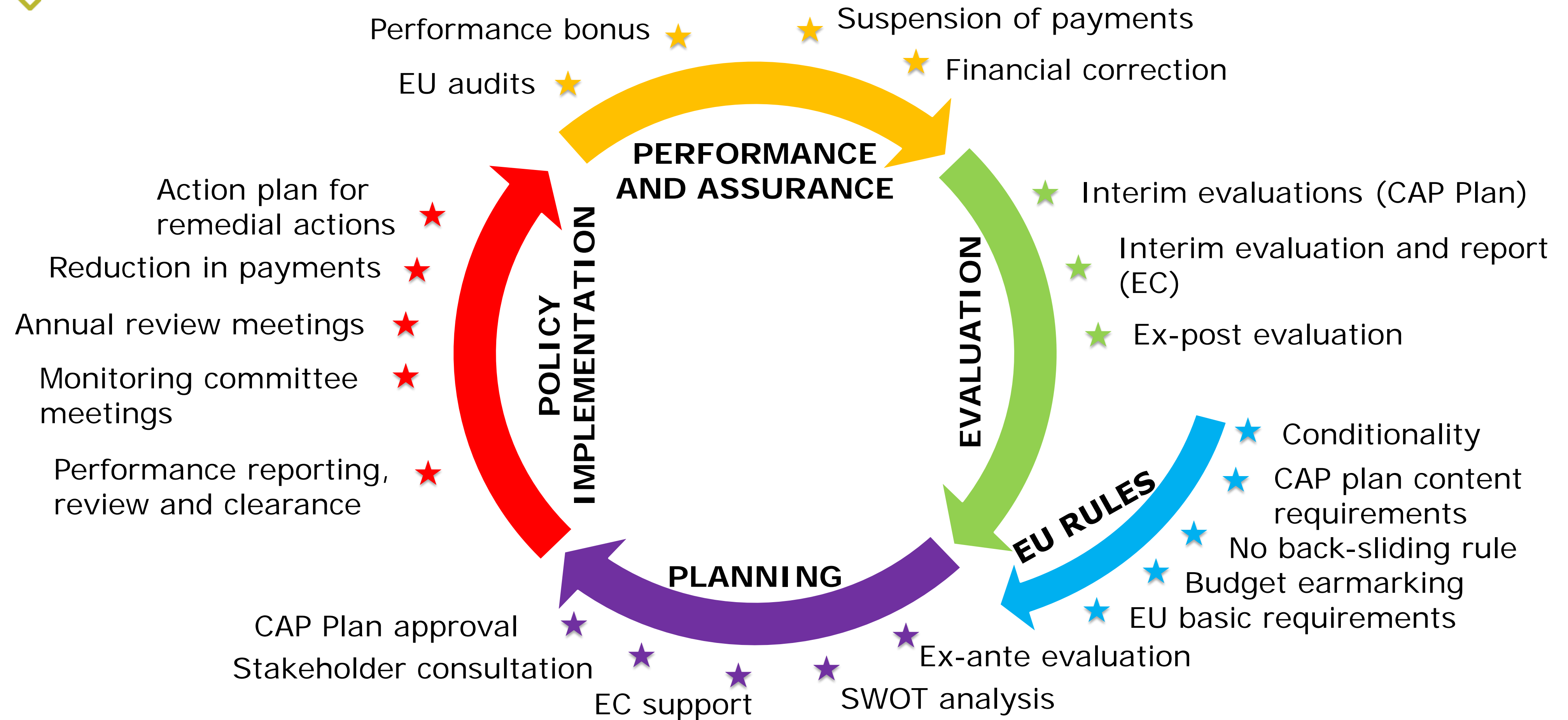
European
Commission

Agriculture and
Rural Development

The CAP intervention logic

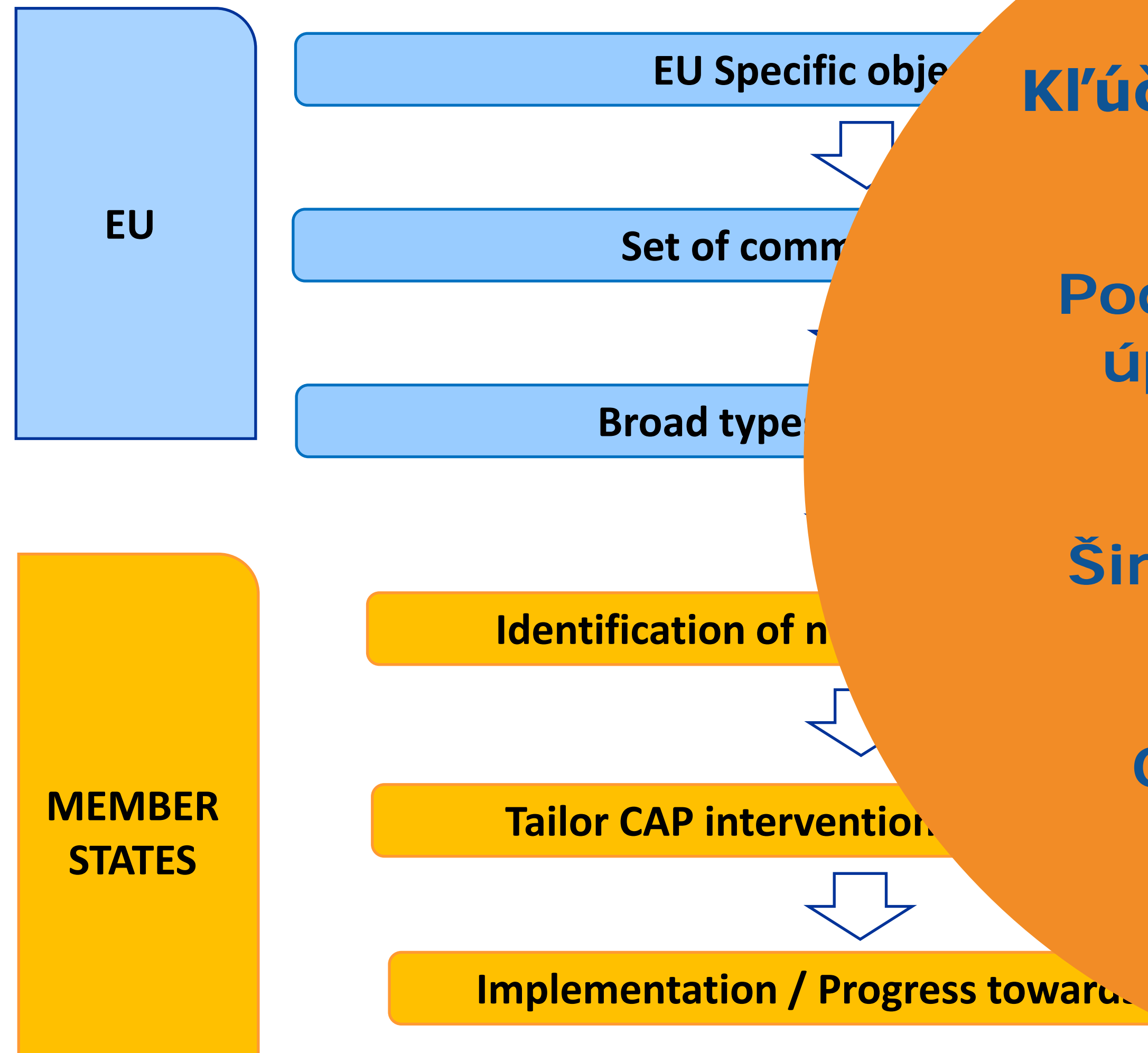


THE CAP CYCLE SAFEGUARDS





HOW: THE NEW DELIVERY MODEL OF THE CAP



Kľúčová záležitosť: národný strategický plán!

Podrobné a pokiaľ možno úplné analýzy potrieb a podmienok

Široký, inkluzívny proces (2019)

Obmedzená možnosť nápravy



HOW: FOCUS ON PERFORMANCE

Multi-annual programming approach for the whole CAP

COMMON OBJECTIVES

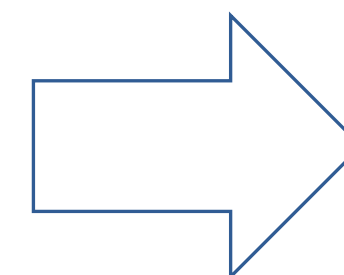
INDICATORS

TYPES OF INTERVENTIONS

Assurance

Annual Performance Clearance

Linking expenditure to output

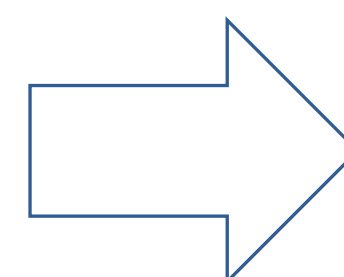


Common Output Indicators

Monitoring

Annual Performance Review

Checking progress towards targets

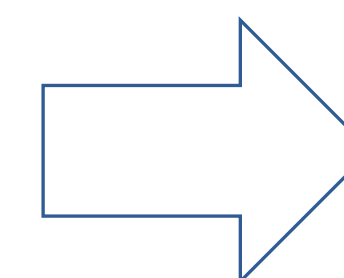


Common Result Indicators

**Policy
performance**

Interim Evaluation

Assessing performance towards objectives

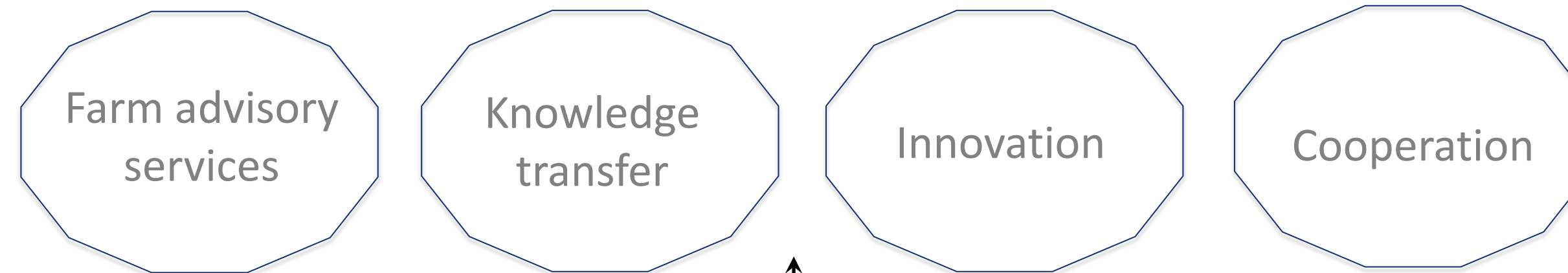
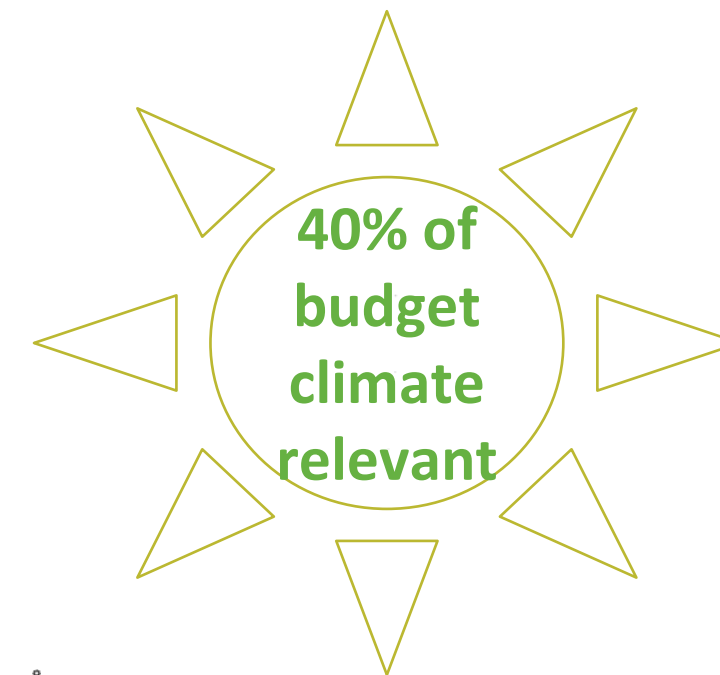


Common Impact Indicators





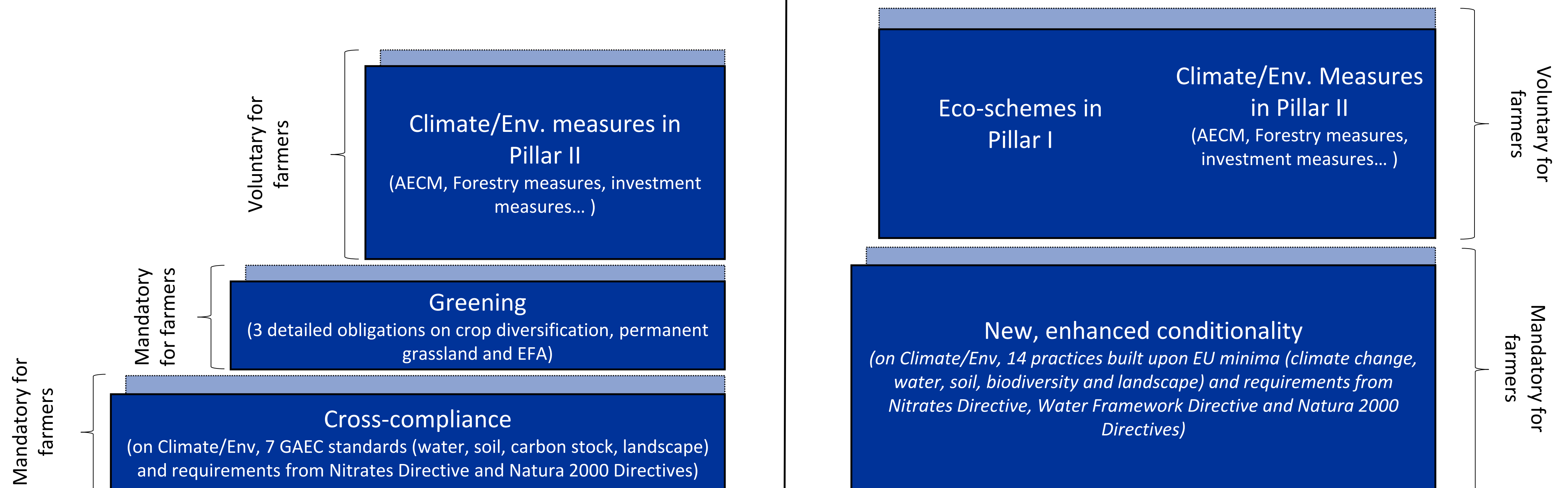
HOW: THE NEW GREEN ARCHITECTURE OF THE CAP



Current architecture

Level of
requirement

New architecture



A NEW GOVERNANCE

Kapacity pre reporting
(digitalizácia, využitie satelitných techník, etc. ...), odborná kapacita, kontrolné kapacity

Problémy s vlastníckou štruktúrou a komasácia (pozemkové úpravy)?

Stabilita, finančné a personálne zaistenie inštitúcií?

Annual and multiannual monitoring (MS, EU)

Annual report on the performance of the policy implementation

Definition of framework (L)
9 objectives,
indicators to monitor
implementation, types of
measures (interventions)

Tailored to local

improve the economic,
and
environmental performance of farms

Stability in national governance structures
(paying agencies, certifying bodies and systems in the management of agricultural plots)



European Commission

Agriculture and
Rural Development

Slovensko má šancu z nového prístupu veľa vyťažiť, ale môže aj veľa stratiť, ak nebude:

- (a) mať kvalitný strategický plán**
- (b) integrovať dostatočne ostatné politiky**
(envi, klíma, voda, zdravie, veda, digit/IT ...)
- (c) pripravené odborne, personálne, technicky a inštitucionálne už pred implementáciou novej SPP**

Ďakujem za pozornosť!



**European
Commission**

Agriculture and
Rural Development