



CAP Strategic Plans and Commission observations

Summary overview for 19 Member States

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1. INTRODUCTION

On 31st of March 2022, the Commission services sent Observation Letters on 19 proposed CAP Strategic Plans (CSPs, "the Plans") submitted by **Austria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Lithuania, Malta, the Netherlands, Poland, Portugal, Slovenia, Spain and Sweden**. The letters identify those elements of the Plans that require further explanation, completion or adjustments before the Commission is able to approve the Plans.

This overview summarises, without being exhaustive, some elements of the 19 draft Plans and corresponding observations which are detailed in the relevant letters for each country.

THE OBSERVATION LETTERS ARE ORGANISED INTO TWO PARTS:

- a) key issues relating to the entirety of a Plan – its strategic focus, contributions to the CAP's general objectives and assessment in relation to the specific EU targets set in the Farm to Fork and Biodiversity Strategies, and
- b) detailed observations according to the CAP's ten specific objectives, the instruments and other elements of the proposed Plan.

2. ONGOING ASSESSMENT OF THE CAP STRATEGIC PLANS

The [new Common Agricultural Policy](#) (CAP), adopted in December 2021¹, is based on a performance- and results-based approach that takes into account local conditions and needs, while increasing the EU's ambition in terms of sustainability.

In order to help the EU's farming sector cope with the current global challenges, the new CAP aims to promote the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector with a view to ensuring long-term food security. This CAP advances in climate action, the protection of natural resources and the preservation/enhancement of biodiversity, and it aims to strengthen the socio-economic fabric of rural areas. This is reflected in the CAP's [ten specific objectives](#), linked to common EU goals for social, environmental, and economic sustainability in agriculture and rural areas.



The new CAP allows Member States to tailor the support instruments to the specific territories through their **CAP Strategic Plans**, which are programming tools drafted by Member States and approved by the Commission. The CAP Strategic Plans cover all the CAP-related and CAP-funded instruments that a Member State will implement in its territory for the period 2023-2027: direct payments, interventions specific to certain market sectors and support for rural development.

While keeping the common foundation of the CAP, this new governance enables Member States to take a more coherent approach for each specific objective (through intervention strategies), addressing comprehensively and in a tailored fashion their specific assets, disadvantages and vulnerabilities identified in a SWOT analysis.

The legislation lays down procedural requirements for submission, assessment and approval of CAP Strategic Plans, including specific time limits.

The Commission services conducted an assessment of the submitted Plans based on the criteria set in the legislation, and it paid particular attention to equal treatment and consistency. This is reflected, among other things, in the common methodology and process for building the Plans – which are based on evidence and various common elements, including: context indicators; key definitions; baseline requirements; parameters for interventions and for assessing performance (result indicators); and common ambition reflected in several budgetary requirements at EU level related to minimum financial allocations (ring-fencing).

¹ See: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/new-cap-2023-27_en

The preparatory process and exchanges that the Commission had held with Member States in the context of the structured dialogue ahead of the submission of the Plans were aimed not only at supporting their preparation but also at ensuring coherence and a level playing field among Member States.

The Commission is committed to the structured dialogue with Member States to help them adjust their Plans before resubmission and facilitate their timely revision and adoption. In this context, the Commission stands ready to engage in bilateral meeting(s) with Member States to discuss its observations. The Commission will also take into account the exceptional circumstances due to Russia's invasion of Ukraine, especially its impact on agriculture.

Member States have been invited to share comments with the Commission within three weeks, following which the observation letters will be published together with Member States' comments.

2.1. OBSERVATIONS ON STRATEGIC APPROACH AND CONSISTENCY

The draft Plans vary in terms of **completeness**. A number of them require further **completion**, and a few need substantial **revision** to allow a complete assessment of their consistency, their ambition and the financial allocations. Prior to submission, Member States conducted **public consultations** in the preparatory phase and provided explanations on the results of these. Notwithstanding, Member States are also recommended **to strengthen their application of the partnership principle** in the implementation phase.

The Plans typically include a solid, evidence-based identification of needs and explanation of the choices made in response, through prioritisation. The consideration given to the Commission's 2020 analysis and **recommendations** is noted. However, certain specific country challenges are not consistently reflected and addressed, with little or missing explanation of whether or how they would be tackled through means other than the CAP.

In most cases, Member States made an effort to develop **overall strategic approaches** encompassing the relevant instruments for each specific objective, though a stronger focus, complementarity or clarifications are required for some Plans. Links between interventions, result indicators and specific objectives are in many cases not properly identified. The target values of result indicators and financial allocations per specific objective are often not sufficiently justified. As a consequence, target values for some result indicators do not yet present an accurate picture of the Plans' priorities and ambitions.

Since **result indicators** are key to assessing the ambition of a given Plan and monitoring its progress, they have to be completed where they are missing, or their proposed target values must be revised - by improving their accuracy and taking into account all the relevant interventions, and by setting an adequate ambition level in line with the identified needs.

Depending on the specific objective concerned, Member States have taken various approaches to establish interventions - with some setting a few interventions with broader scope, others opting for a wide range of more specific interventions. In some cases, more ambitious interventions are planned only with limited scope or financial resources, thus not guaranteeing a successful take-up. The design of national-level interventions having regional elements may also lead to some complexity in implementation based on their definition in the Plan.

The assessment further found that the **budgetary ring-fencing** is not always fully respected, or that the quality of the underlying interventions is at times insufficient to qualify them for counting towards the ring-fencing. Adjustments are also necessary where the Plans do not comply with other mandatory specifications set in the legislation.

The description of the **coordination, demarcation and complementarities with other EU and national policy instruments and funds** is insufficient in some cases, in particular in relation to the needs identified for **rural areas**. Equally, while some Member States refer to programmes to address climate challenges through national tools, further explanations and details are necessary to ascertain their feasibility. Member States are also asked to provide more information on measures they intend to take outside the Plan to contribute to the selected Green Deal targets.

CHANGING CONTEXT

The context in which Member States have designed their draft Plans **has changed** with the Russian invasion on Ukraine and the ongoing generalised commodity price surge, bringing to the forefront the integral link between climate action and food security. This new situation has been taken into account in the analysis and the **Plans will require a further review to exploit all opportunities** to: a) strengthen the EU's agricultural sector resilience; b) reduce Member States' dependence on synthetic fertilizers and scale up the production of renewable energy without undermining food production; and c) transform their production capacity in line with more sustainable production methods.



3. ECONOMICALLY SUSTAINABLE AND FAIRER CAP

The CAP Strategic Plans address the following three Specific Objectives:

- *to support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union;*
- *to enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation;*
- *to improve the farmers' position in the value chain.*

3.1. FOSTERING RESILIENCE AND VIABLE FARM INCOME

The new CAP takes further steps towards a **fairer distribution of income support and a greater targeting towards small and medium-sized farms.**

The CAP Strategic Plans will **support resilience** of the sector by **supporting viable farm income**: the new Basic income support for sustainability (BISS), as an annual land-based decoupled payment financed by the EU budget, will continue **to be the most important tool** to support and stabilise EU's farmers' income.

As a key novelty of the new CAP, Member States have to dedicate at least 10% of their financial allocation for direct payments to the **redistributive income support tool** (CRISS), to increase payments received by smaller and medium-sized farms. However, a derogation to this rule can be requested if Member States demonstrate that redistribution needs are sufficiently addressed through other instruments and interventions of the European Agricultural Guarantee Fund (EAFG) - such as the payment for small farmers, internal convergence, or capping/degressivity.

Internal convergence

The new CAP continues to reduce differences in the unitary level of direct payments within Member States. Internal convergence aims to progressively equalise the value of decoupled direct payment entitlements within each Member State or region. Member States with a direct payments model based on entitlements (inherited from the past historical levels of payment per hectare) will need to close the gaps: by 2026 all basic income support payments on a Member State's territory must have a per-hectare value of at least 85% of the national average.

For the new period, out of the 19 CAP Strategic Plans assessed, eight Member States currently applying payment entitlements have decided to discontinue them already in 2023. Among other Member States, one plans to reach full convergence at national level by the end of the period, another will implement full convergence by group of territory by 2026 and five Member States plan to reach the minimum required level of internal convergence of 85% by 2026 at national level or by group of territories.

Complementary redistributive income support for sustainability (CRISS)

The CRISS aims to ensure a redistribution of support from larger to smaller or medium-sized farms by providing a redistributive payment for the first hectares. To better target this

complementary support and in view of the differences in farm structures across the EU, Member States can provide complementary support for different ranges of hectares, to differentiate the support by regions or by groups of territories.

In 2020, at EU level, 4.2% of the total direct payments envelope was paid through the redistributive payment and the aid scheme was implemented in 10 Member States. For the new period, out of the 19 draft Plans assessed, 13 respect the minimum 10% ring-fencing for the redistributive payment, with four of them planning to dedicate more than 10% of the direct payment allocation to the CRISS. Six Member States want to use a derogation from the minimum 10% ring-fencing for the redistributive payment, out of which three do not intend to apply the CRISS at all.

The ranges envisaged for the CRISS, in terms of eligible hectares, vary substantially across Member States, reflecting differences in farm structure and income support needs.

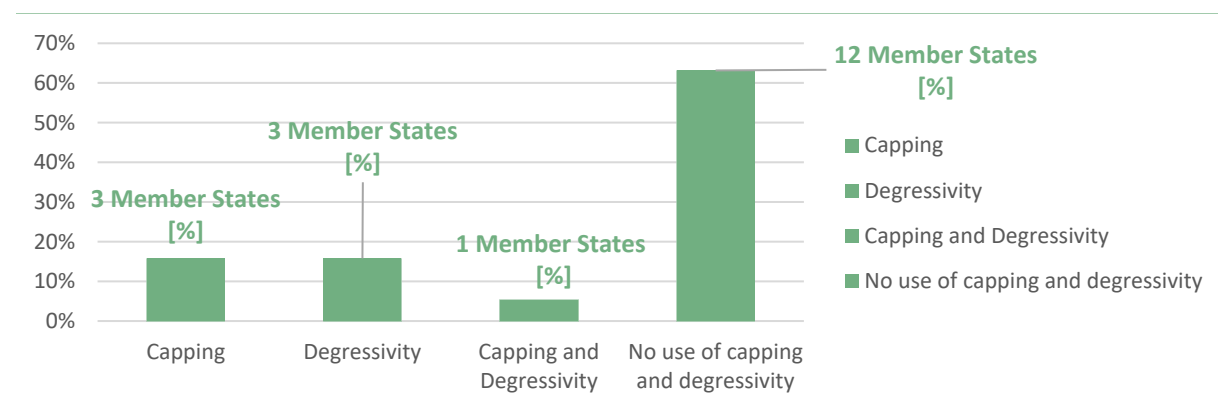
Capping and degressivity

In the current system, reduction of payments was implemented as a mandatory instrument by 22 Member States (a derogation was possible if the redistributive payment was sufficient).

The new CAP provides that Member States may apply up to 85% reductions to the basic income support received by a single farm for amounts exceeding 60.000 EUR (degressivity). Member States may allow the subtraction of farm salary costs - including unpaid (family) work - from the amount of direct support to ensure that farm employment is not unduly affected. They may also impose an upper limit (capping) on the amount received, at 100.000 EUR.

Out of the 19 Plans assessed, seven Member States provide for capping and/or degressivity, with three Member States applying only degressivity, two applying only capping and two applying both. Of these, two Member States will make use of the possibility to subtract labour costs before applying capping and degressivity.

Figure 1: Indicative distribution among the 19 Plans in terms of choice of instrument



Source: Proposed CSPs

Small Farmer Scheme

Small farms remain a cornerstone of the Union's agriculture as they play a vital role in supporting rural employment and contribute to territorial development. In order to promote a more balanced distribution of support and to reduce the administrative burden for beneficiaries receiving small amounts, Member States can design a specific intervention for small farmers replacing the other forms of direct payments support. Only two Member States plan to use this

intervention applying a lump sum with an indicative allocations range of 4.2% and 9% of the direct payments envelope.

3.2. INCREASED COMPETITIVENESS AND IMPROVE THE POSITION OF FARMERS IN THE FOOD CHAIN

The new CAP envisages supporting the competitiveness of the sector, both in the short and long term, as well as strengthening the position of farmers in the value chain through tools such as coupled income support, risk management or sectoral intervention.

Coupled income support & sectorial interventions

Coupled income support (CIS) is a voluntary tool to improve competitiveness, sustainability, or quality in targeted sectors and productions that are particularly important for social, economic or environmental reasons and encounter certain difficulties. To ensure a level playing field between farmers, Member States are restricted by a maximum allocation of their direct payments for the CIS (ceiling). Member States have also to demonstrate in their strategy how the CIS interventions are consistent with the Water Framework Directive (2000/60/EC).

All of the 19 Member States except one propose in their Plans to provide CIS in support of different sectors:

- 13 Member States plan to dedicate above 10% of their direct payments envelope (and mostly close to their ceiling) to CIS;
- 2 Member States plan about 10%; and
- 3 Member States plan below 5%.

Figure 2: Distribution of CIS by sector as proposed in 19 Member States' draft Plans

<i>Sector</i>	<i>Number of Member States implementing CIS in their draft Plans</i>	<i>Allocation of the budget (% of Member State total CIS budget)</i>
<i>Livestock</i>	<i>18</i>	<i>From 52% to 100 % (73% in average)</i>
<i>Protein crops / legumes incl. mixtures of legumes and grasses</i>	<i>11</i>	<i>From 1% to 100 % (21% in average)</i>
<i>Cereals (excl. rice)</i>	<i>5</i>	<i>From 1% to 20 % (13% in average)</i>
<i>Rice</i>	<i>5</i>	<i>From 1% to 15% (6% in average)</i>
<i>Fruit and vegetables</i>	<i>12</i>	<i>From 2% to 30% (8% in average)</i>

Source: Proposed CSPs

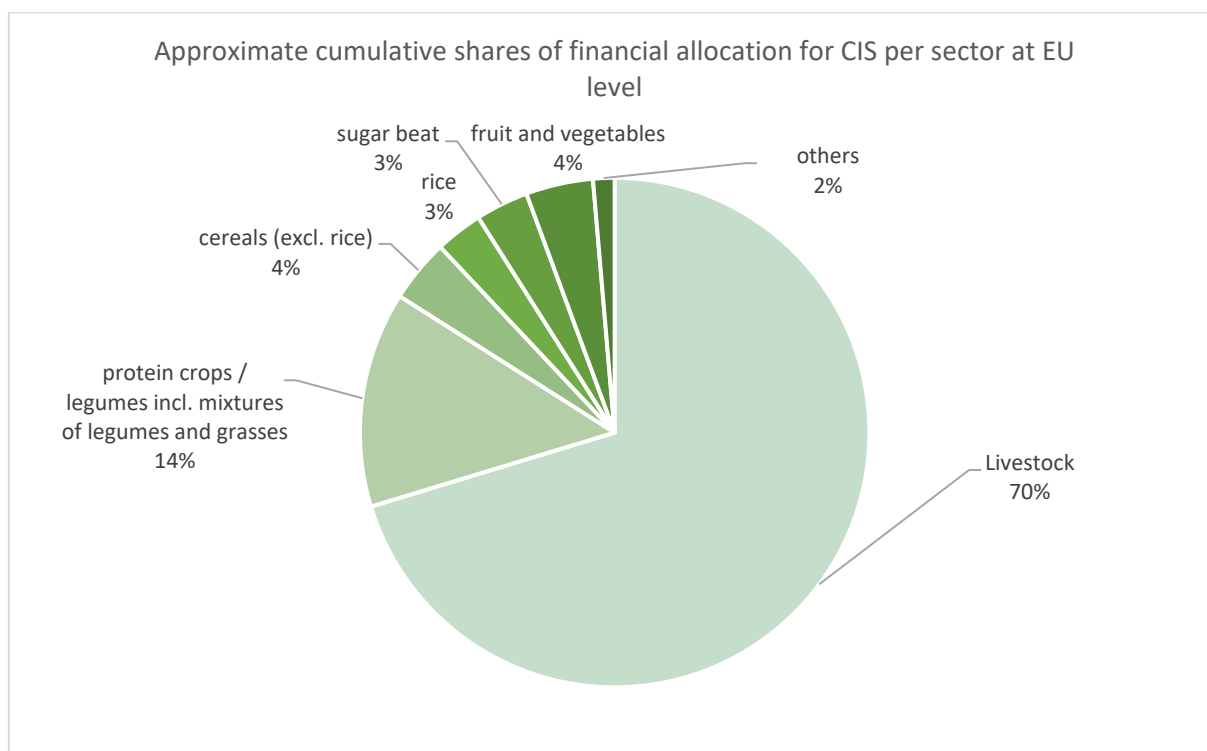
Cumulatively, at EU level, the trend for coupled income support is to target mainly livestock (beef & veal, sheepmeat and goatmeat, milk and milk products) with a budget share of approximately 70% of the overall budget of CIS allocations, followed by protein crops and

legumes with around 13,5% and by the fruit and vegetables sector with close to 5%. This trend is similar to the current distribution of voluntary coupled support.

The overall yearly budget plan for CIS is slightly higher than the current budget dedicated to voluntary coupled support in 2022 (+ 6%) at EU level, with heterogeneity across Member States. Among the three main sectors supported, compared to 2022 for the 19 Member States, there is a large increase of the CIS for protein crops/legumes (+35%), for fruit and vegetables (+18%) but also for the livestock sector (+1%). Among other sectors supported by CIS, there is a large increase for rice (+75%), cereals (+38%) and starch potatoes (+17%) - whereas a decrease is observed for sugar beet (-10%), olive oil (-82%) and silkworms (-57%).

There is an increasing effort by several Members States to reduce the EU's import dependency in a key sector such as protein crops and legumes, which are nitrogen-fixing crops and do not require N-fertilisers. With about 2 million additional hectares supported compared to 2022, this is a 50% increase of the planned support area that is expected. Only a few Member States expect an increase of the supported areas with protein crops and legumes over the 5-year period from around 6 million (2023) to close to 7 million hectares (2027) in total in the EU.

Figure 3: Indicative and approximate cumulative shares of financial allocation for CIS per sector proposed by Member States in draft CAP Strategic Plans



Source: Proposed CSPs

Eligibility criteria proposed vary significantly among sectors and Member States, according to the difficulties encountered by each sector (competitiveness, sustainability, quality). Only a few Members States use specific stock density criteria and/or maximum numbers of animals in the livestock sector.

Sectoral interventions and cooperation

The CAP allows Member States to extend sectoral intervention to 'other'² sectors within the limit of 3% of direct payments. Several Member States use this opportunity to plan support for several sectors but most Member States plan sectoral interventions only in the fruit and vegetables sector, the apiculture sector and the wine sector.

Several Plans envisage to support for producer cooperation and participation in producer organisations, as well as for quality schemes. This is done to improve farmers' position in the food chain and increase the value added of agricultural products. There is high variability among Member States regarding sectors targeted and budgets dedicated to those interventions.

Risk Management

Risk management tools have been proposed by **nine** Member States out of the 19 draft Plans, with several Member States proposing similar types of schemes to those in their current rural development programmes. These include 15 insurance premia schemes, seven mutual funds support schemes, two other risk management schemes and one scheme covering insurance premia as well as support for mutual funds. While four Member States have proposed to provide support for insurance premia only, five Member States have proposed several risk management interventions in their Plan.

So far one Member State has assigned funds from its direct payments envelope to risk management – deciding to transfer 3%, which is the maximum. Not including this Member State, proposed expenditure for risk management represents between 2 and 9% of the EAFRD envelope.

Investment for economic sustainability

Overall, many Member States propose investment support similar to support provided in their rural development programmes 2014-2022. This includes support for on-farm agricultural investments as well as support for processing, marketing and/or development of agricultural products.

Proposed Plans show that Member States plan to support around 3% of the total farms in the EU with support for farm modernisation (R.9) linked to different economic specific objectives.

As regards support outside the agricultural sector, 14 Member States have planned to support more than 21 000 rural businesses addressing economic objectives (but not only economic).

² As defined in f) of Art 42 of Regulation (EU) 2021/2115

Summary of observations

- *Member States are requested to clarify and better justify certain decisions regarding coupled income support and sectoral intervention against the needs of certain sectors. A lack of coherence and consistency is observed between the objectives and the design of the planned interventions. Furthermore, the explanations provided by the Member States on how the interventions under **coupled income support** are consistent with the Water Framework Directive (2000/60/EC) are in most cases judged insufficient;*
- *Several draft Plans hold potential for boosting farm competitiveness and consolidating viable market-oriented farms but **in light of the Russian invasion of Ukraine**, Member States are urged to also consider interventions that will help reduce dependence on fossil fuels and other externally sourced inputs, to preserve the long-term sustainable production capacity and viability of farms;*
- *Efforts of several Member States to address the import dependency in some sectors, such as protein crops, are welcomed. At the same time, there is a general need and wish to give more farmers access to **risk management** schemes across the EU. Member States are therefore encouraged to plan schemes with ambitious targets for farmers' participation in risk management schemes;*
- *While the assessment of needs identifies the importance of **strengthening farmers' position in the food chain**, most of the Plans address this need primarily by mandatory sectoral interventions (fruits and vegetable, wine, honey, olive) with a limited scope. Member States are encouraged to: consider addressing this issue for other sectors; enhance interventions for producer cooperation and participation in producer organisations; and enhance support for quality schemes and short supply chains;*
- *Several Member States have to focus further and differentiate on-farm non-productive from productive investments to better contribute to economic or environmental objectives. The final picture as to ambition for modernisation of farms for the purpose of economic sustainability therefore still needs to be clarified.*

3.3. COMMON DEFINITIONS AND TARGETING FOR SUPPORT

The definitions related to CAP support set at EU level ensure **commonality** of the policy while allowing Member States to further specify the rules at national level to tailor to their needs and to better target the support.

The **eligible hectare definition** establishes the EU principle that income support is granted to farmers with agricultural areas on which agricultural activity is performed, while introducing flexibility from this rule to address the environmental ambition of the CAP. The new legal framework extended the list of these derogations and provided Member States with more leeway to adapt the rules to local specificities and needs.



Eight Member States take advantage of this increased flexibility and, for example, include additional landscape features³ in the eligible area.

With the objective **to better target CAP support**, Member States determine in their CAP Strategic Plans who qualifies as an **'active farmer'** and may therefore receive direct payments. Under the new legal framework this could be done according to a defined minimum level of agricultural activity, determined with objective and non-discriminatory criteria such as income or labour input.

The main criterion proposed by Member States in setting an active farmer definition is the inclusion in official registers (social security, farm register, VAT). Eight Member States include a negative list, which, contrary to the previous definition of active farmer⁴, should help Member States to identify farmers who do not meet the set criteria.

Summary of observations

- *The information regarding defining the features of eligible hectare in the proposed Plans was often not complete. Member States are requested to justify their choices further;*
- *Member States have often been requested to demonstrate how they will ensure targeted support beyond the minimum requirements to receive direct payments through the 'active farmer' provision and requirements.*

³ Landscape features, which are not under GAEC 8 (the latter are part of eligible hectare by definition).

⁴ As stipulated in Article 9(2) of Regulation (EU) No 1307/2013, the definition of active farmer was based on the negative list of categories of natural or legal persons, whose business purpose was not, or was only marginally targeted at an agricultural activity

4. A GREENER CAP

The CAP Strategic Plan address the following three Specific Objectives:

- *to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;*
- *to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;*
- *to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.*

Various types of information in Member States' proposed CAP Strategic Plans give an idea of the level of "**ambition**" that Member States are showing with regard to these objectives – which are closely related to the **European Green Deal**.⁵ These types of information sometimes make possible partial **comparisons** with the past. The issue of comparison is especially relevant for the environmental and climate-related objectives because Member States are explicitly obliged to show greater environmental ambition through the CAP than in the past.⁶

In general, the 19 draft CAP Strategic Plans propose **elements which are relevant** to the CAP's environmental and climate-related objectives (and thus relevant to the Green Deal). However, Member States are requested to **show greater ambition** – or in some cases to clarify their ambition – with regard to some or all of these objectives. Such ambition depends on various features of CAP Strategic Plans.

4.1. TARGETS FROM GREEN DEAL STRATEGIES AND LEGISLATION ON THE ENVIRONMENT AND CLIMATE



All CAP Strategic Plans must refer to **targets from certain EU strategies and legislation concerning the environment and climate**. The links made provide important information about what the Plans will achieve or help to achieve. The EU strategies in question are the **Farm to Fork Strategy**⁷ and the **EU Biodiversity Strategy for 2030**⁸, which are part of the European Green Deal. These strategies include various non-binding EU-level targets which are particularly relevant to the CAP. The targets involve (in each case by 2030): reducing the risk and use of chemical **pesticides** by 50%; reducing **nutrient losses** from agriculture by 50%; achieving a coverage of **organic farming** of at least 25%; and bringing at least 10% of agricultural area under **high-diversity landscape features**.

⁵ See document [COM\(2019\) 640 final](#)

⁶ See Art. 105 of Regulation (EU) 2021/2115.

⁷ See document [COM\(2020\) 381 final](#)

⁸ See document [COM\(2020\) 380 final](#)

Key CAP-relevant targets from the **legislation** in question⁹ concern (among other things) **greenhouse gas (GHG) emissions, ammonia emissions**, the condition of **water bodies**, and the status of **habitats and species**. The targets are either present in the legislation itself or are established in various national or regional plans – including **National Energy and Climate Plans, River Basin Management Plans** (in relation to water quality and quantity), **Prioritised Action Frameworks** (in relation to biodiversity) and others.

With regard to the targets both from the Green Deal strategies and from the legislation, Member States must **explain in their CAP Strategic Plans how their Plans will help to achieve the targets**. In addition, they have been encouraged to set non-binding national targets – referred to as “**national values**” – in relation to the EU-level targets from the strategies.

Few Member States have indicated such national values in their CAP Strategic Plans – except in relation to organic farming. By contrast, **most Member States have provided at least some explanation** of how their Plans will contribute to achieving the targets from the Green Deal strategies and the legislation. However, **the quality and detail of these explanations vary significantly**. Some Member States do not provide enough information that would allow a proper assessment of their CAP Strategic Plans from this perspective.

Comparison with the past

The information of this type included in CAP Strategic Plans allows elements of comparison with the past.

Of the indicative national values proposed in relation to the Farm to Fork Strategy and the EU Biodiversity Strategy, those concerning cutting **nutrient loss** and reducing **pesticide use and risk** are **inherently expressed in terms of change**. Therefore, Member States which have provided national values in their CAP Strategic Plans in relation to these issues (stating, for example, that they will cut nutrient losses by 50%) can immediately be seen to be aiming at progress in relation to the past.

The target on **organic farming** is not expressed in this way, but comparisons with the past are easy to make. Of the 19 Member States under consideration, **14** have set national values with regard to organic farming. Of those 14 Member States, **all 14** aim to **increase** their coverage of organic farming by 2030¹⁰ in comparison with the level in 2018 by **at least 25%** in proportional terms, and **seven aim to at least double it**.

Comparisons with regard to **landscape features** will become easier when all Member States have fully mapped such features on their respective territories.

With regard to contributions to achieving targets arising from **legislation** on the environment and climate: the coming new policy period for the CAP will mark the first time that CAP rules formally oblige Member States **to explain** these intended contributions. This makes it easier to track such contributions in future – though comparisons with the past are not always easy for the time being.

⁹ Listed in Annex XIII to Regulation (EU) 2021/2015. The legislation covers biodiversity, water quality, nitrates from agricultural sources, air quality, climate change, energy and pesticides.

¹⁰ By 2027 in certain cases.

Summary of observations

With regard to the targets from the Green Deal strategies, Member States are requested to:

- propose national values where they have not done so;
- (in a few cases) propose greater effort with regard to organic farming;
- (in some cases) improve explanations of the overall contributions made by their respective CAP Strategic Plans;
- strengthen the intended contributions where necessary.

With regard to links to the targets arising from legislation on the environment and climate, many Member States are requested to clarify (sometimes substantially) the intended contributions of their respective CAP Strategic Plans to achieving these targets. Two observations made to all Member States involve:

- strongly encouraging them to take into account the future national targets related to climate change in the Effort-Sharing Regulation and in the rules on Land Use, Land Use Change and Forestry (LULUCF);
- requesting them to take better account of their respective Prioritised Action Frameworks on biodiversity, further aligning their proposed interventions with these.

4.2. REQUIREMENTS TO BE MET BY FARMERS AS CONDITIONS FOR SUPPORT: GAEC STANDARDS

CAP Strategic Plans will help address the environmental and climate objectives partly through nine **standards of Good Environmental and Agricultural Condition (GAEC)** – which concern in particular: climate change; water; soil; and biodiversity and landscape features. These standards must be respected by all beneficiaries of area- and animal-based CAP payments, and they form part of the “baseline” of requirements beyond which farmers can receive financial support for additional (or more ambitious) practices/commitments. CAP legislation lays down the objective and scope of each standard but Member States will significantly influence to what extent each GAEC standard helps achieve the relevant objectives, through the implementation choices which they make. **Examples** are given below.

In the area of **climate change**, GAEC 1 addresses the need to maintain the share of permanent grassland as a proportion of total agricultural area. **GAEC 2** is an important new GAEC standard that requires the protection of **wetlands** and **peatlands**.

These areas are major stores of carbon and therefore a timely implementation of GAEC 2 is encouraged. However, 12 Member States intend to implement it from 2024 or 2025 rather than 2023 – which is permitted, but only if adequately justified with reference to practical aspects of implementation. Furthermore, the level of protection proposed varies from one Member State to another (though it often includes restrictions on further drainage as well as tillage and/or conversion).



In the area of **water protection**, **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 minimum width is as a main rule 3 metres but some Member States set a larger width. Only three Member States propose a lower minimum width.

Several GAECs help to protect **soil**. **GAEC 5** limits **erosion** by setting requirements for tillage management, and **GAEC 6** requires farmers to **avoid leaving soil bare** during the most sensitive periods. However, the contributions made by these standards will depend on the scope of the area coverage set by Member States. Under **GAEC 7**, as the main standard Member States must require farmers to apply **crop rotation**. However, 10 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” provisions¹¹), and 18 out of 19 propose to exempt a number of farms on the basis of criteria such as physical size (arable land below 10 hectares).

Finally, 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. 17 Member States are offering farmers the “basic” option¹², under which the proportion concerned is 4%; nine Member States are offering the “eco-scheme top-up” option¹³; and 11 Member States are offering the option involving catch crops or nitrogen-fixing crops¹⁴. As in the case of GAEC 7, many Member States (16) are proposing to use the exemptions permitted by CAP rules.

Comparison with the past

The full set of future GAEC standards marks an **overall increase in environmental ambition** in comparison with the equivalent elements in the current CAP (current GAEC standards plus “greening” requirements) – thanks to new standards and improvements to other standards.



However, the extent of the advance **depends on how Member States set up the standards** on their respective territories, as can be seen from the above examples – including in terms of the practices required, and the exemptions. Most CAP Strategic Plans to a large extent carry over the current approach to implementing GAEC standards and greening requirements (though of course they nevertheless include new standards). However, several Plans have improved GAECs from their current versions, to better respond to needs.

¹¹ See Art. 43 of Regulation (EU) 1307/2013.

¹² Under this option, farmers must devote at least **4%** of their arable land to non-productive areas and features (including fallow land).

¹³ Under this option, farmers undertake to devote at least **7%** of their arable land non-productive areas and features under an eco-scheme, as provided for in Art. 31(6) of Regulation (EU) 2021/2115. In this case farmers receive payment under the eco-scheme for all area in question going beyond a basic **3%**.

¹⁴ 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.

Summary of observations

In general, Member States are requested, where needed, to:

- *clarify or amend certain planned GAEC standards so that they fully **comply with the regulatory framework**;*
- *(in relation to the above point) make the requirements more **environmentally ambitious** (e.g. through sufficient area coverage under GAEC 6 and/or an appropriate definition of "crop rotation" under GAEC 7); better **justify** certain decisions (e.g. delay in implementation of GAEC 2).*

4.3. MINIMUM FUNDING ALLOCATIONS FOR ACTION OVER THE ENVIRONMENT AND CLIMATE

Much of the environmental ambition of CAP Strategic Plans lies in various kinds of funded action ("**interventions**") which go beyond GAEC standards and other mandatory requirements.

A new obligation for the future is that Member States **must spend at least a certain proportion of their direct payments budget allocations on "eco-schemes"**¹⁵, which can fund a wide range of environment- and climate-friendly practices (as well as practices favourable to animal welfare and to combating anti-microbial resistance). As a basic rule, the minimum proportion is 25%. Lower levels are permitted when Member States are spending particularly high proportions of their **rural development funding** on the environment and climate (see below). Three Member States out of the 19 have planned to spend more than 25% of their direct payments budget on eco-schemes, and five have planned exactly 25%. The assessment of the Plans revealed that a number of Member States need to correct their calculations – and in some cases amend interventions and budgetary allocations accordingly – to comply fully with the rules.

Member States must also spend at least **35% of their total rural development funding allocations from the EU budget**¹⁶ on **certain types of intervention relevant to the environment and climate**, or to **animal welfare**. This aspect of 19 Member States' spending plans is summarised in the two charts below. (However, the figures are likely to change significantly when it has been clarified which interventions provisionally classified as relevant can genuinely be considered so.)



¹⁵ See Art. 31 of Regulation (EU) 2021/2115.

¹⁶ More precisely, total funding from the European Agricultural Fund for Rural Development (EAFRD) after transfers between this and the European Agricultural Guarantee Fund (EAGF).

Figure 4

% of total EU rural development funding allocated by Member States to the environment, climate and animal welfare (no. of Member States by class)

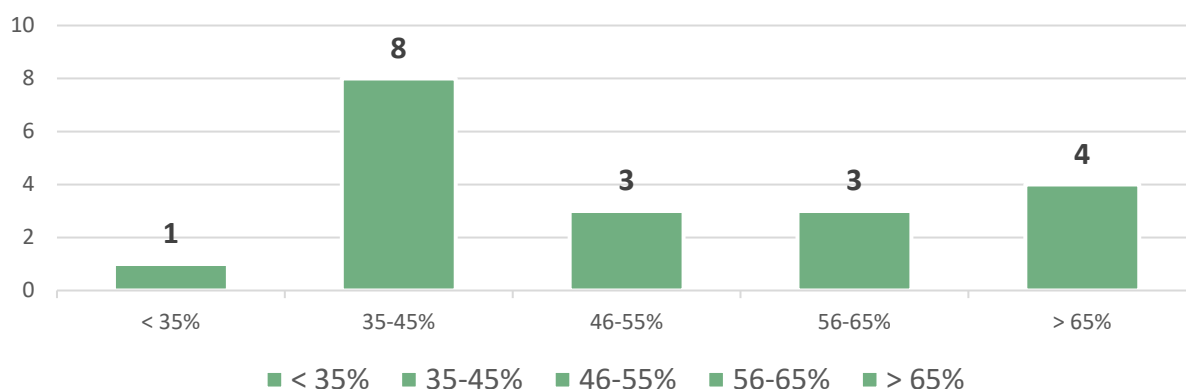
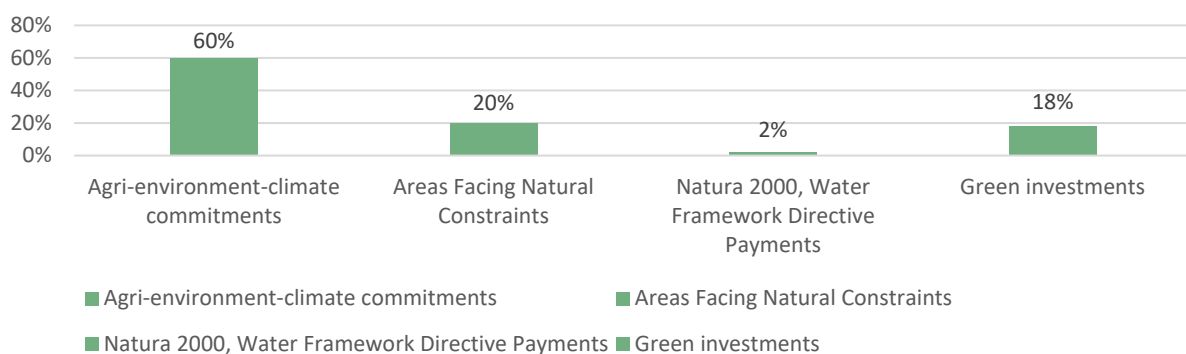


Figure 5

Approximate distribution of planned rural development spending on the environment, climate and animal welfare within the required minimum allocation



Source: Financial tables in proposed CSPs

Comparison with the past

The spending requirement with regard to **eco-schemes** is **new**.¹⁷ And the spending requirement concerning **Pillar II** is **5 percentage points higher** than in the current CAP (though spending on animal welfare is now also included in the calculation), and also involves a **weighting factor** of 50% applied to payments to Areas Facing Natural Constraints. These changes nudge CAP Strategic Plans in the direction of higher environmental ambition.

¹⁷ Eco-schemes are sometimes compared to the “greening” requirements of the current CAP, but in fact the greening requirements are essentially integrated into the new GAEC standards and have been strengthened. Eco-schemes therefore build on that foundation – which is itself higher than in the past.

Summary of observations

- *Member States are requested to ensure that they **comply with all requirements for minimum financial allocation** – as this is not always clearly the case.*
- *Spending associated to minimum allocation requirements has been scrutinised when scope and nature of the support is not well targeted.*

However, the potential environmental benefit of spending on environment and climate specific objectives depends on the **coverage and nature** of the action being funded (see following sections).

4.4. TARGETS ON INTENDED UPTAKE/COVERAGE OF FUNDED CAP INTERVENTIONS

Beyond the targets referred to in section 4.1 (some of which are optional), all Member States are obliged to set targets in their CAP Strategic Plans which express desired “results” in the sense of the intended level of uptake of funded CAP interventions. For example, a Member State might aim to have 55% of its agricultural area covered by support for improving biodiversity through various types of action by the year 2027. The indicators used for setting such targets are referred to as “result indicators” and are listed in the CAP legislation.¹⁸

In their CAP Strategic Plans, Member States have used various approaches to decide which interventions should feed into which of these target values. As noted in section 2.1 of this document, some of these approaches seem incorrect. Therefore, the targets set in the Plans thus far should be **viewed with care**. Nevertheless, the targets set in the draft Plans convey an overall sense of how a given Member State intends its funded interventions to help achieve the CAP’s environmental and climate-related objectives. Ranges of targets in relation to a few selected result indicators are presented below:

Result indicator	Range of target value in draft CAP Strategic Plans¹
R.14 – Carbon storage in soils and biomass	from 8% to 80% in 15 CSPs with the majority below 50%
R.19 – Improving and protecting soils	from 7% to 80% in 17 CSPs with more than half below 30%
R.20 – Improving air quality	from 5% to 33% in 10 CSPs
R.21 – Protecting water quality	from 6 to 92% in 11 CSPs
R.24 – Sustainable and reduced use of pesticides	from 1% to 56% in 16 CSPs with half below 10%

¹⁸ Result indicators convey information only about action funded through CAP Strategic Plans – not the effects of outside influences. As in the example provided above, the coverage/uptake of funded action which they communicate is typically expressed in terms of areas (number of hectares) or beneficiaries (numbers of farmers etc.) subject to support through combinations of CAP objectives, in comparison to the total numbers of hectares or beneficiaries which **could** have been subject to such support.

R.31 – Preserving habitats and species	from 0.3% to 99% in 17 CSPs
¹ Values against each indicator express the agricultural area intended to be subject to relevant area-based support, as a % of each Member State’s total utilised agricultural area.	

Comparison with the past

Many targets set against future result indicators are higher – often substantially so – than the values achieved against the closest equivalent indicators from the current period. This is to be expected, as eco-schemes are a new tool contributing to action over the environment and climate, backed by a significant budget (see previous section). It should be understood that accurate comparisons with the past are not always easy, because of differences in the setting-up of the indicators and in the range of interventions which contribute to them. More precise analysis will be possible only when Member States have improved the target-setting in their CAP Strategic Plans.

In the case of support for **organic farming**, however, a relatively clear comparison is possible between planned future support as measured by the relevant result indicator, and equivalent data from the past. Of the 19 Member States under consideration, **17** have set targets against the specific result indicator for organic farming.¹⁹ Of those, **13** aim to increase by **at least 25%** (in proportional terms) the area receiving CAP support for organic farming by 2027 in comparison with the level in 2018, and of those 12, **six** propose to at least double it.

Summary of observations

In general, Member States have been requested to:

- **propose higher targets** – with reinforced (and sometimes better-funded) interventions to achieve them – where targets seem too low to meet the relevant needs identified by the Member States in question and to reflect high environmental and climate-related ambition;
- **ensure relevant links** between interventions and result indicators – and therefore adjust planned values – where the links do not seem correct.

4.5. CONTENT OF INTERVENTIONS IN FAVOUR OF THE ENVIRONMENT AND CLIMATE (“NATURE” OF FUNDED ACTION)

The effects of funded interventions in relation to environmental and climate-related objectives depend not only on their coverage (in terms of area, number of beneficiaries etc.) but also, of course, on their **content** – i.e. on what practices etc. they are funding.

¹⁹ Note that these targets concern only areas subject to **specific CAP support for organic farming**. Unlike the “national values” mentioned in section 3.1 they do not include areas farmed organically without specific CAP support.

Eco-schemes²⁰, one of the most significant new elements in the future CAP, will support a wide range of practices that contribute to more sustainable farming. Most Member States have proposed **several eco-schemes**, each of which is **relatively specific** to a given objective. Five Member States have proposed only one, multi-dimensional eco-scheme. Such schemes include a package of **“options”**, made up of a mix of practices of various degrees of ambition, from which farmers make a selection. In such cases, farmers are often requested to select practices which between them will cover their whole agricultural area (this approach is sometimes referred to as a “whole-farm approach”). Three CAP Strategic Plans put forward **points-based eco-schemes** – which allocate a weighting to the various practices according to their likely positive impact and encourage farmers to select those practices most relevant to the environmental and climate-related needs on their farms and/or in their regions.

The table below shows the numbers of Member States proposing **at least one** eco-scheme addressing the issues listed.

Issue ¹	No. of Member States addressing the issue through at least one eco-scheme
“Biodiversity” (protection or enhancement)	4
Landscape features, non-productive areas	15
Carbon sequestration / carbon farming	7
Integrated pest management / pesticide management	7
Nutrient management	8
Precision farming	3
Permanent pastures – extensification and maintenance	7
Permanent pastures – maintenance only	8
Soil conservation practices	18
Organic farming	9
<i>Animal welfare / anti-microbial resistance</i>	6
<i>Other</i>	3
¹ Note that some issues overlap.	

The eco-schemes proposed by Member States **vary significantly** in their level of **environmental ambition** – whether at the level of individual practices supported, or at the level of how options work together in multi-option schemes.

²⁰ See Art. 31 of Regulation (EU) 2021/2115.

Within **rural development support**, as in past rural development programmes Member States have proposed a large number of **agriculture-related area-based interventions** addressing specific environment and climate objectives, as shown below.

Type of intervention (or sub-type)	Total number proposed	Addressing specific objectives ⁴ :
Natura 2000 payments ¹	12 ²	Climate change: 97 Natural resources: 115 Biodiversity: 169
Water Framework Directive payments ¹	4	
Management commitments: agri-environment-climate commitments ³	158	
Management commitments: conversion to, maintenance of organic farming ³	19	
Management commitments: conservation of genetic resources ³	32	
¹ See Art. 72 of Regulation (EU) 2021/2115. ² Includes 6 cases of Natura 2000 payments on forest area. ³ See Art. 70 of Regulation (EU) 2021/2115. ⁴ Totals in columns 2 and 3 do not match as many interventions contribute simultaneously to more than one specific objective.		

Agri-environment-climate commitments (AECCs – see row 3 in the table above) proposed by Member States show huge variety.

Many such interventions are designed as **broad schemes**, often consisting of various elements, covering several needs²¹, and aiming at a high area coverage. For example, one proposed broad AECC intervention to be made available to most farms in the Member State concerned (i.e. outside a more limited high-priority area, in which particular interventions will be available) includes, among other things: a reduction in fertiliser use; improved land management to address issues of water quality and soil fertility; and measures to restore and maintain habitats and species.

Other AECC interventions are **very targeted** - in particular those addressing biodiversity and very specific habitats – covering smaller areas and linked to fewer result indicators. For example, under one intervention proposed for certain ecologically valuable agricultural areas, with the help of the nature conservation authority each participating farmer would select a package of measures from a large menu, to best address the specific situation of his/her land. Member States have also proposed a certain number of **results-based** AECC interventions.

Many CAP Strategic Plans include various styles of intervention, which between them address needs of different natures.

Rural development support also includes support for **investments**²² which target environmental and climate-related objectives – both “**productive**” investments (which also bring economic gain) and “**non-productive**” (which bring purely environmental and climate-

²¹ And therefore linked to several result indicators.

²² See Art. 73 of Regulation (EU) 2021/2115.

related benefits). About half of investment interventions proposed by the 19 Member States under consideration fall into one of these categories. Examples of “productive” green investment interventions proposed include interventions in manure management, production of renewable energy (explicitly including biogas in the case of nine Member States), and more efficient irrigation. “Non-productive” examples include investments in establishing landscape features, restoring dry stone walls, restoring wetlands and peatlands, restoring habitats and landscapes, and establishing protection against large predators. Many Member States have also proposed environment- and climate-relevant investments in **forestry** – e.g. in increasing forest and other wooded areas, restoring forests after natural disasters and adverse weather, and improving forest infrastructure for the sake of climate change adaptation.²³

Finally, other categories of rural development support include support for environment- and climate-relevant **co-operation** and **knowledge exchange**.²⁴

Comparison with the past

Eco-schemes are a new tool. They will either support “**new**” (i.e. not previously applied) environment- and climate-friendly practices on Member States’ territories, or **increase the area** on which such practices are applied, or both. In some cases, support under past agri-environment-climate measures under rural development policy (sometimes including support for organic farming) will be transferred partly or wholly to eco-schemes. Some eco-schemes will support the **same practices as are or will be obligatory under certain current “greening” requirements or future GAEC standards**, but on a **more ambitious scale** – for example, funding more ambitious crop rotations will be required under GAEC 7, or larger areas beneficial for biodiversity than will be required under GAEC 8.

In several cases, Member States have carried over **AECC interventions** from past AECMs in their rural development programmes. However, there are also many which are new, or modified. The arrival of eco-schemes as a new tool is allowing some Member States to refocus their area-based rural development support – by making AECC interventions more targeted than their predecessors in terms of area or issue addressed.

Summary of observations

Member States are requested to:

- *make certain eco-schemes or AECC interventions (or elements thereof) **more ambitious** with regard to environmental and climate-related benefits – by improving the commitments or including new ones;*
- *clarify the “**articulation**” between planned GAEC standards, eco-schemes and AECC interventions - including, where necessary, by clarifying the respective requirements of the standards and interventions - so as to ensure that these work together effectively, and to avoid double-funding;*
- *carefully consider planning interventions in their CAP Strategic Plans which will increase the sustainable generation and use of **renewable energy**, including biogas;*
- *plan interventions which will **reduce energy consumption**;*
- *plan interventions which will improve **nutrient efficiency** and **circular approaches to nutrient use**.*

²³ Annual area-based payments are also available for ongoing eco-friendly forest management practices.

²⁴ See Articles 77 and 78 of Regulation (EU) 2021/2115.

5. SOCIALLY SUSTAINABLE CAP

The CAP Strategic Plans address the following three Specific Objectives:

- *to attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas;*
- *to promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry;*
- *to improve the response of Union agriculture to societal demands on food and health, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance.*

5.1. NEW GENERATION OF EU FARMERS

The agricultural sector is undergoing structural changes in terms of number, size and specialisation of farms, while the number of young farmers has been declining over time. At the same time, a number of rural areas face a declining population/depopulation. The CAP reform provides a policy framework which, together with national instruments, will support young people setting up in farming, while creating good working and living conditions in rural areas. There will be more innovative approaches to generational renewal - such as succession agreements, support for new farmers and incentives for women.

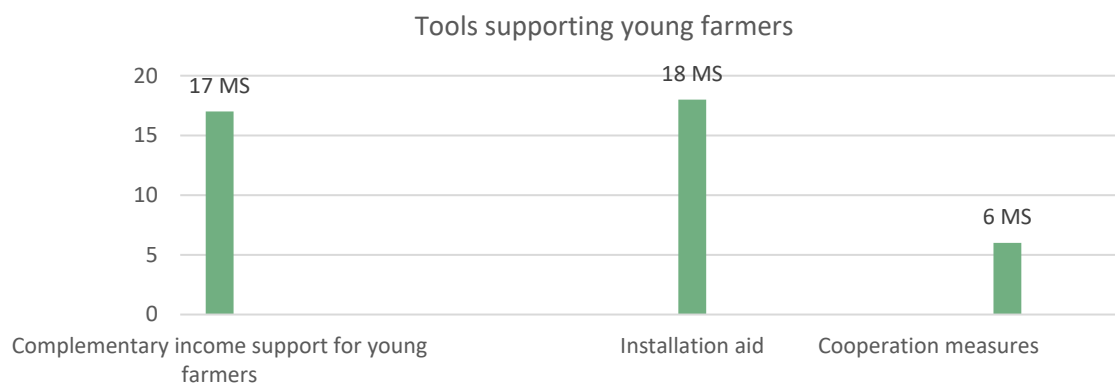
Generational renewal in agriculture is a high priority under the new CAP. Member States have to dedicate a minimum amount to this objective - corresponding to 3% of their national direct payments envelope - and decide how to use the funding. This support may be granted as enhanced income support, start-up aid for new young farmers or investment support.

Member States show a high interest in funding support to stimulate generational renewal in the proposed Plans: in fact, **16 Member States allocate a higher amount than the minimum allocation of 3%** of their initial annual direct payments envelope before any transfer between pillars. Three Member States will still have to revise their planning to ensure compliance with the required minimum funding.

Member States envisage in almost all cases a combined support covering both first and second pillars: 17 CAP strategic plans include support through the complementary income support for young farmers, and 18 plan to fund young farmers through support for setting up.

There are six Member States which focus on generation renewal utilising cooperation interventions under rural development to support farm transfers.

Figure 6



Source: CAP proposed Strategic Plans

As far as **gender equality** is concerned, five Member States propose measures supporting rural women, of which two address in particular the objective to improve participation of women in farming.

Summary of observations

- *Member States' efforts at addressing **generational renewal** are well noted, in particular where these are part of a comprehensive strategy within and outside the Plan. Relevant elements concern tools on succession in farms and can also involve improving business and financial skills. The objective is sometimes addressed in a cross-cutting manner across various CAP Strategic Plan Instruments (e.g., through prioritisation of access for young farmers to certain funding). The use of cooperation types of intervention to stimulate **farm succession** and to support new entrants is welcomed. Notwithstanding, several improvements will be necessary.*

Several Member States will need further to:

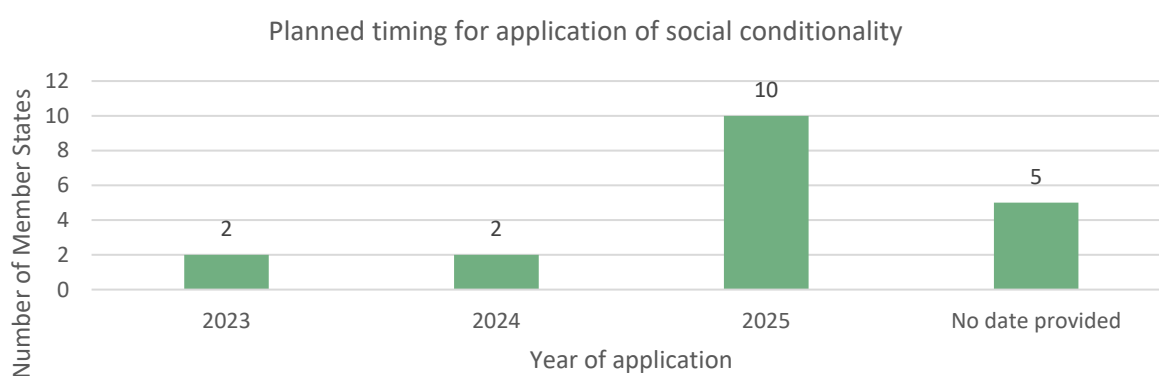
- *strengthen the link between the needs assessment and intervention logic - by explaining more concretely how young farmers' need for better access to land, capital, knowledge and higher income is addressed, and presenting the complementarity and the interplay with the existing or planned national measures;*
- ***consolidate further** their strategy for young farmers and define clearly the eligibility criteria for young farmers (e.g. eligibility conditions for natural and legal persons and the requirement of being newly set up).*
- *Furthermore, the low level of commitment in the Plans to promoting **gender equality** is a matter of concern, given the lower proportion of female farm managers compared to male cohorts. In particular, only a few Member States made efforts in this direction. Greater attention to equality will be needed in those Member States where this remains a challenge.*

5.2. SOCIAL CONDITIONALITY

The new CAP makes a significant step towards protecting the rights of Europe’s farm workers. For the first time, receiving CAP income support and rural development funding will be linked to farmers’ respect of the social and labour rights of farm workers enshrined in the relevant legislation. Farmers have to provide their workers with a written description of their agreed working conditions and will have to ensure a safe and healthy working environment. Where farmers are found to be in breach of the rules their CAP payments will need to be reduced.

The fact that two Member States decided to apply these rules already from the start of the new period is welcomed, with a further two joining in 2024. The Commission services take note of the fact that 10 Member States, due to the complexity of setting up systems at national level, will put the rules in operation in 2025. Information on this issue is sought for the five Member States who have not yet provided it for this start date.

Figure 7



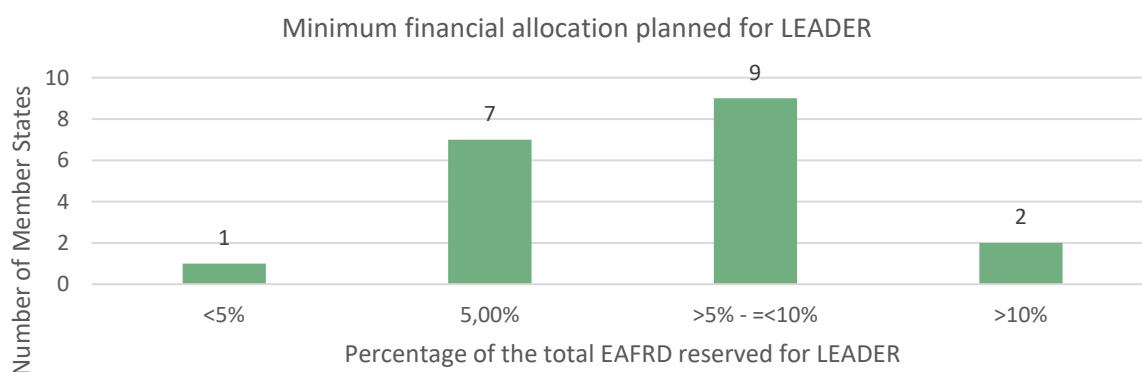
Source: Proposed CSPs

5.3. RURAL AREAS

The presence of support for vibrant rural areas in 18 CAP Strategic plans is welcomed, as is the higher average percentage of 7% of the total EAFRD reserved for LEADER compared to 5.5% in the current programming period. However, the final level of support is also dependent on the decisions Member States have taken for transfers from or to the EAFRD fund.

However, despite significant needs identified in relation to the socio-economic development of rural areas, the majority of the CAP strategic plans appear to rely mainly on LEADER-related interventions to address them. Proposed Plans tend to assign a more limited financial allocation to address relevant specific objectives in comparison to priority 6 of the current Rural Development Programmes (the priority of promoting social inclusion, poverty reduction and economic development in rural areas). 10 Member States plan some - but often very limited - interventions beyond LEADER. 13 CAP Strategic Plans explicitly support the creation of new jobs in rural areas and six have not provided figures on this issue.





Source: Financial tables, Proposed CSPs

Short supply chains is the focus in cooperation types of intervention in four out of 19 CSPs. Cooperation interventions of which the main scope is vertical and horizontal cooperation were designed in six out of the 19 CSPs.

Summary of observations

- *The majority of the CAP strategic plans do not include CAP support to achieve full **broadband coverage of rural areas** and Member States are encouraged to provide further information on related efforts outside the CAP;*
- *Member States are invited to target **LEADER** interventions to areas where this will bring clear added value, and explain how they will ensure that all Local Action Groups (LAGs) will fully apply the LEADER method and perform their core tasks as required;*
- *Despite the planned budget for LEADER, which is beyond the 5% minimum financial requirement, this instrument alone is unlikely to address sufficiently the needs of rural areas - including the creation of non-agricultural businesses in rural areas. Member States are encouraged to consider **other, non-LEADER interventions** and additional funding to tackle the basic needs of rural areas identified. Possible examples include investments in diversification, or in basic village infrastructure (not linked directly to agriculture but benefiting the whole rural community), or investments linked to the enhancement of social inclusion for disadvantaged members of the rural population;*
- *Taking into account the significant needs identified by Member States for rural areas, Member States are expected to provide further information and additional clarifications on the **synergies and complementarities with other EU and National funds** - to ensure that those needs are well addressed, having in mind the proposals and the actions in the Commission Communication on the long-term vision for the EU's rural areas;*
- *Member States are asked to ensure a **balanced participation** of equality bodies in the monitoring committee - to adequately represent women, youth and the interests of people in disadvantaged situations.*

5.4. ANIMAL WELFARE, ANTIMICROBIAL RESISTANCE, BIOSECURITY

Some of the key challenges facing EU agriculture include improving its response to society's demands concerning food and health - including safe, nutritious and sustainable food, reductions in food waste, and improvements to animal health and welfare. The CAP reform explicitly tackles food and health issues. It is fully in line with the key ambitions of the European Green Deal, aiming at increasing the **sustainability of food systems** through the Farm to Fork strategy at all levels - from food production and processing and retail to consumption.

The animal welfare interventions in the CAP Strategic Plans cover a wide range of species. Nine Member States have planned interventions for animal welfare as eco-schemes, 13 Member States as support for on-farm investments and 14 Member States as agri-environment-climate commitments.

The majority of CAP Strategic Plans do not plan specific interventions targeting antimicrobial reduction. Reductions are expected to be achieved through actions on animal welfare or organic farming, or by efforts outside the CAP.

Summary of observations

- *Some Member States have made an effort to improve **animal welfare**, including through combinations of support for practices, investments and training, (e.g. in relation to increased grazing opportunities or improved housing conditions). Efforts are often differentiated according to species;*
- *However, in many cases investments referred to are not targeted to species and actions do not appear to go beyond legal requirements. The information provided in some Plans does not allow a clear understanding of how ambition related to reducing **the use of antimicrobials** will be met, whether by means of CAP interventions, national instruments or both.*

Specific Member States are requested:

- *to describe how their proposed actions go beyond standard practices and how they will concretely lead to improved animal welfare;*
- *to integrate further actions improving the welfare of pigs, and to encourage the keeping of laying hens, calves and sows in non-confined housing systems;*
- *to consider concrete actions to enhance the biosecurity of pig holdings - in particular in small commercial farms where CAP Strategic Plans propose interventions to improve farm biosecurity in a very limited way;*
- *to integrate further measures in CAP strategic plans to address tail-docking practices in the pig sector.*

6. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The future CAP's specific objectives are complemented and interconnected with the cross-cutting objective of *modernising agriculture and rural areas by fostering and sharing knowledge, innovation and digitalisation*.

Knowledge, innovation and digitalisation must take into consideration a wide range of challenges and solutions to enable the transition to more resilient and sustainable agriculture and rural areas. This will require an **increased effort into advice, coaching and training** to help farmers and other rural actors embrace the necessary changes.

Knowledge, innovation and digitalisation are enabling tools that can help reach all CAP specific objectives. In their CAP Strategic Plans, Member States are asked to detail their **strategy for knowledge sharing and innovation**, including their **contribution to the digital transition** of agriculture and rural areas. This strategic approach is a key novelty in the CAP 2023-2027 and has been the focus of the assessment.

6.1. KNOWLEDGE SHARING & INNOVATION

To harness the power of knowledge and innovation, it is essential to build stronger **Agricultural Knowledge and Innovation Systems (AKIS)** to boost the development of innovation projects, disseminate their results and encourage their use as widely as possible. **Farm advisory services are a key tool** in sharing new knowledge and ideas. Therefore, the new CAP asks for integration of all impartial advisors within the AKIS, including the most trusted ones who have a major impact on the ground.



What are Agricultural Knowledge and Innovation Systems (AKIS)?

'AKIS' means the combined organisation of knowledge flows between persons, organisations and institutions who use and produce knowledge for agriculture and interrelated fields.

Member States' strategic approach to knowledge and innovation in the assessed draft Plans is overall promising, including overall comprehensive and articulated strategies for AKIS.

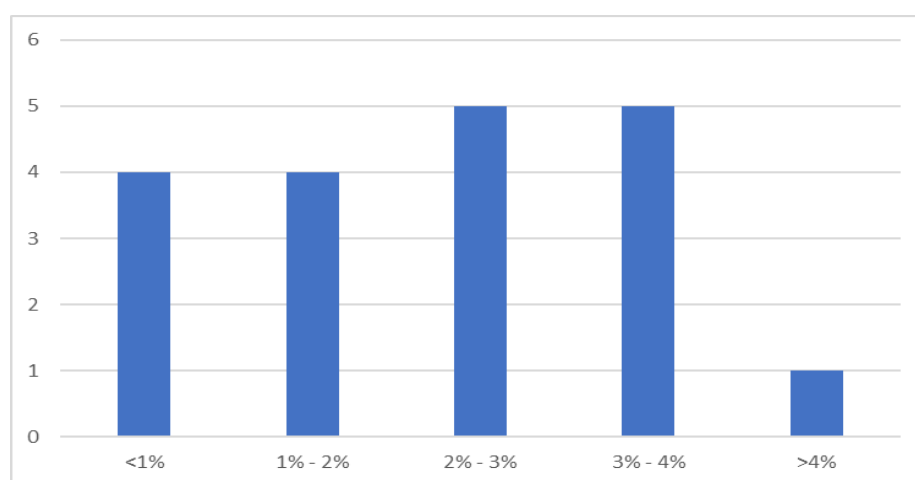
So far, **18 out of the 19 Member States plan interventions for knowledge exchange and dissemination of information.** These include an encouraging number of **on-farm demonstration activities**, which are an effective tool to foster interactions among AKIS actors, exchange knowledge and facilitate innovation in farming practices via peer-to-peer learning. Furthermore, Member States propose a wide scope of knowledge sharing interventions such as:

- training for advisors, farmers and other subjects;
- mobility for advisors to go and learn abroad;
- farmers discussion groups;
- back-offices for advisors to collect and share thematic up-to-date knowledge including from science.

According to the proposed Plans, in most Member States the **Common Agricultural Policy Network** (CAP Network) is set to play a key role in establishing connections and exchanges among farmers, advisors, researchers and others, for example through a wide range of information events and the set-up of platforms providing farmers and advisors with ready-to-use knowledge. These are also key tools for Member States to structure, share and re-use knowledge, also from across borders.

Overall, the 19 proposed Plans devote around **2% of the EAFRD budget** to specific interventions for knowledge exchange and dissemination of information²⁵. A comparison with current Rural Development Programmes 2014-2020²⁶ denotes a slight increase of 0,8%. This budget covers a higher variety of interventions in the proposed CAP Plans.

Figure 9: Share of planned EAFRD budget dedicated to knowledge exchange and information (number of Member States)



Note: Total EAFRD budget includes technical assistance

Source: Proposed CAP Strategic Plans

²⁵ These exclude innovation projects under the EIP-AGRI

²⁶ Share of EAFRD budget for measure 1 and measure 2 on overall RDP budget

Overall, the 19 Plans considered indicate that **4 million people will benefit from advice, training, knowledge exchange actions** or from the participation in European Innovation Partnership (EIP) operational groups in order to enhance sustainable economic, social, environmental climatic-related and resource efficiency performance via CAP support²⁷.

Supporting collaborative projects for innovation – so called **Operational Groups** – under the European Innovation Partnership for Agriculture (EIP), the CAP promotes the development of bottom-up ideas and the co-creation of innovative solutions, with a focus on the needs of farmers and foresters, by researchers, farmers, foresters and rural businesses.

As far as innovation is concerned, the 19 Member States altogether plan to support over **5 400 EIP Operational Groups**. This means almost a **fourfold increase** of the number of innovation projects foreseen under the Rural Development Programmes 2014-2020.

Summary of observations

- *Member States need to make further efforts to align CAP interventions with their AKIS strategies, both in terms of coherence and ambition. This is particularly the case for **support to advice**, addressing all three sustainability dimensions (economic, environmental, social), and to the **development of grassroots innovative ideas**, both becoming mandatory under the CAP Strategic Plans for 2023-2027. Greater attention needs also to be paid to the quantification of the relevant indicators (both output and result).*
- *While it is difficult at this stage to make conclusions between the **level of financial resources** dedicated to interventions and their expected impact, there are doubts on whether the overall level of support planned by Member States is in line with the increased ambition on knowledge sharing and innovation. Member States are asked to further elaborate how the dedicated interventions will contribute to their AKIS strategy in light of the many needs identified by the Plans.*

6.2. DIGITALISATION

Digital technologies can help agriculture and rural areas to strengthen their competitiveness and at the same time contribute significantly to environmental and socio-economic sustainability objectives. Digital technologies, such as precision farming can for example help farmers achieve higher input efficiency and eventually save costs.

The CAP promotes a strategic, **comprehensive approach towards digitalisation for agriculture and rural areas**. This not only takes into account the need to invest in technologies, but also the creation of a conducive environment (e.g. via support to skills, infrastructures) enabling farmers and rural communities to take up and effectively use digital technologies.

²⁷ Result Indicator R1

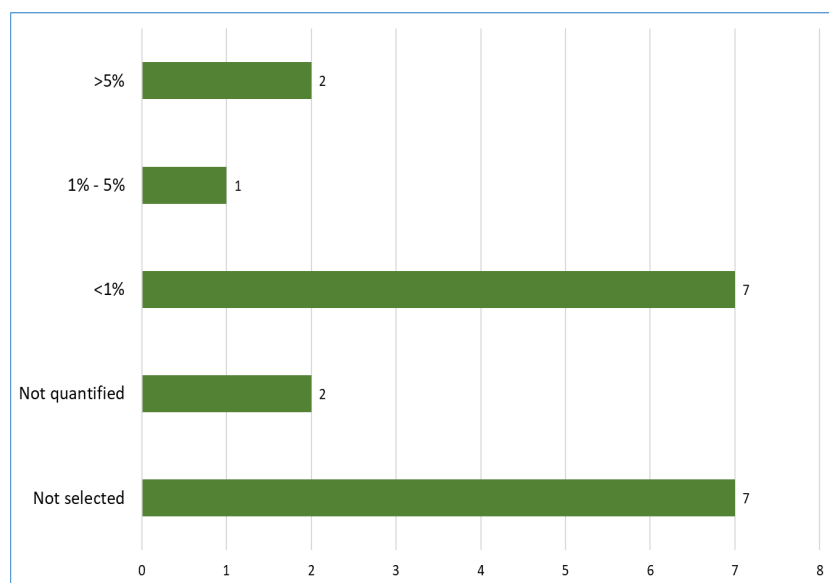
Albeit to a different extent, all 19 Member States elaborated a strategy for the digitalisation of agriculture and rural area in their proposed Plans.

The examination of these digital strategies revealed a number of shortcomings. Typically, these include a limited consideration of digital technologies as enabling tool **for all CAP objectives** (particularly for environment, climate and rural-related objectives), as well as the **scarce consideration of rural areas' needs**, and limited focus on the development of digital skills which can help to close the **digital divide**.

When they identify specific needs for digitalisation, Member States' **digital strategies often miss on establishing consistent links with dedicated interventions**. Few show a coherent approach between their analysis of strengths, weaknesses, opportunities and threats (SWOT), the assessment of needs and the proposed CAP interventions related to digitalisation. Crucially, a clear picture could not be drawn in terms of **planned financial support to digital-related investments** from the EAFRD envelope.

The above also casts doubts on the targets Member States set for the numbers of farms that they aim to support for digital farming technology through CAP, when such target is defined ²⁸ (see figure 10). While the reasons for this may vary²⁹, this seems to indicate that Member States consider this as a lower priority area despite its potential to support other CAP objectives.

Figure 10: Number of CAP Plans in relation to the proposed value of Result Indicator R3



Source: Proposed CSPs

²⁸ Result Indicator R3 Digitalising agriculture : Share of farms benefitting from support for digital farming technology through CAP

²⁹ Typically: the absence of reference figures on the uptake of digital technologies at the national level; the challenge of defining digital technologies which develop very quickly; the fact that digital technologies form an integral part of many farm equipment, thus making it difficult to assess their share on the overall investment.

Three out of the 19 Member States considered, plan to establish a **dedicated eco-scheme** to compensate farmers for the use of precision farming technologies.

Summary of observations

- *Most Member States are expected to strengthen their digital strategies to address the key shortcomings identified and to improve their coherence across the CAP Strategic Plan;*
- *Overall, digital strategies need to be strengthened and further elaborated on key aspects such as addressing **digital divides** (between areas, but also type of farms), barriers to the uptake of digital technologies, **skills** and **data availability**. Only few countries outline a very comprehensive approach including aspects such as the collection, exchange and re-use of data;*
- *Bearing in mind that the CAP funding cannot be the only reply to digitalisation needs at national level, Member States are also invited to further consider possible synergies with **other national and EU funding instruments**, particularly under the Digital Europe Programme and Horizon Europe.*