



The CAP towards 2020

Links between PI and PII



DG Agriculture and Rural Development
European Commission

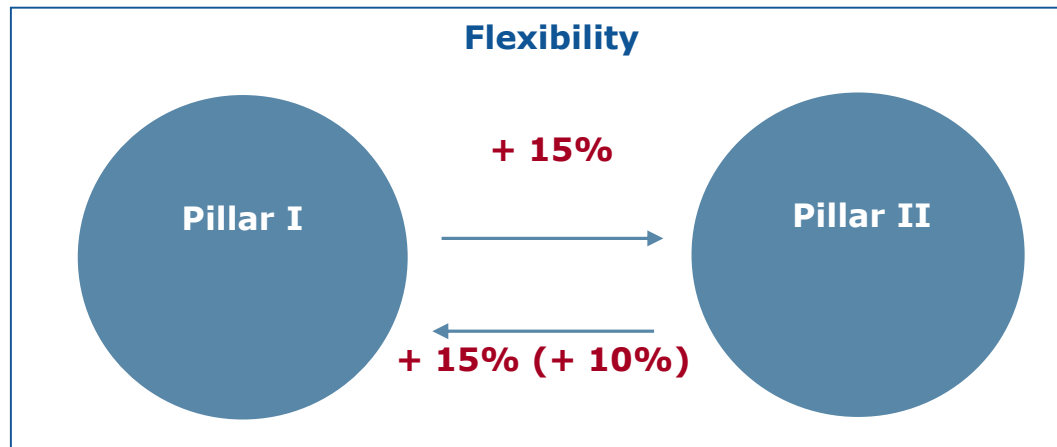
General structure

The new CAP maintains the two pillars, but increases the links between them

- Linking the budget
- Links between instruments
- Detailed links with DP (in particular greening)

Budgetary framework

Link between envelopes for the 1st and the 2nd pillar of the CAP

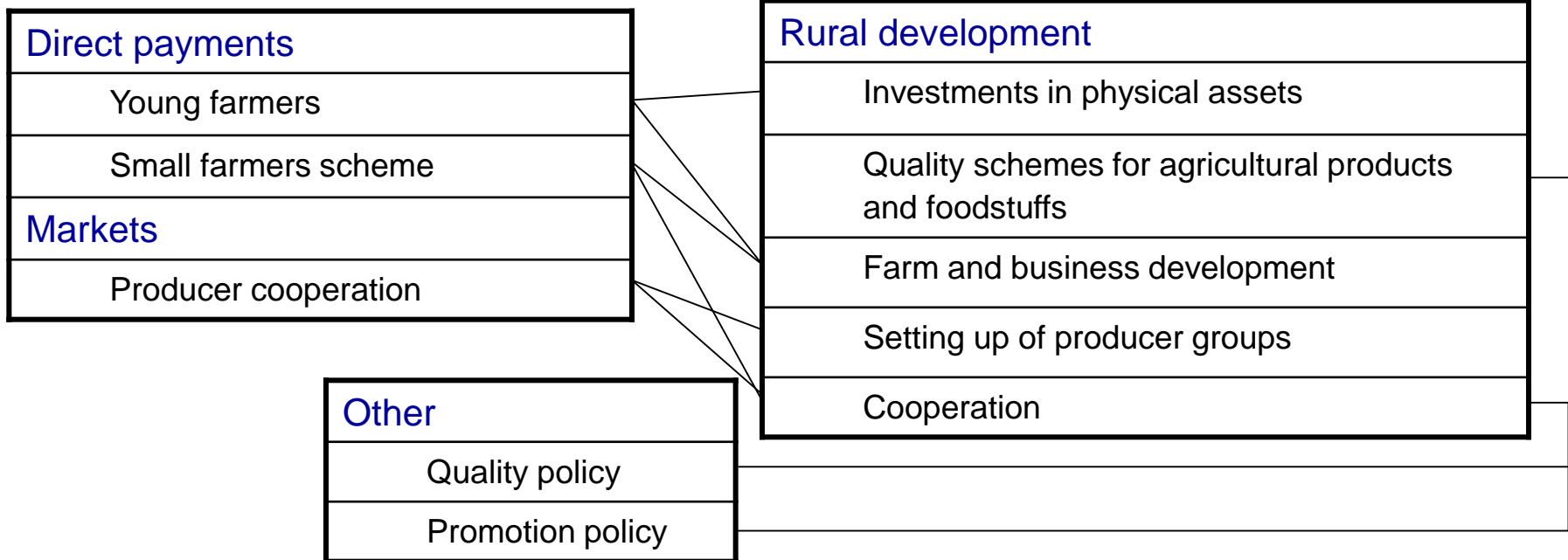


Net result of all transfers (possible review in 2017 for the years 2018 and 2019) = total transfer from pillar I to pillar II of **EUR 3 billion over 6 years**

Delegated act modifying the DP and RD financial annexes published on 23.12.2014 (Regulation 1378/2014)

Links between instruments

Structural aspects of the agricultural sector



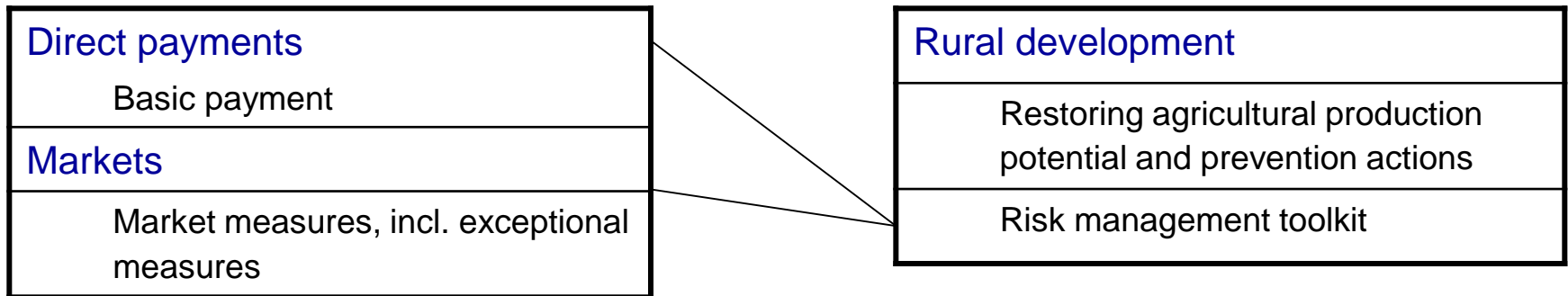
Investments as basic measure to support competitiveness in PII

- With higher support rates for young farmers, collective investments and integrated projects

Thematic sub-programmes for young farmers, small farms and short supply chains

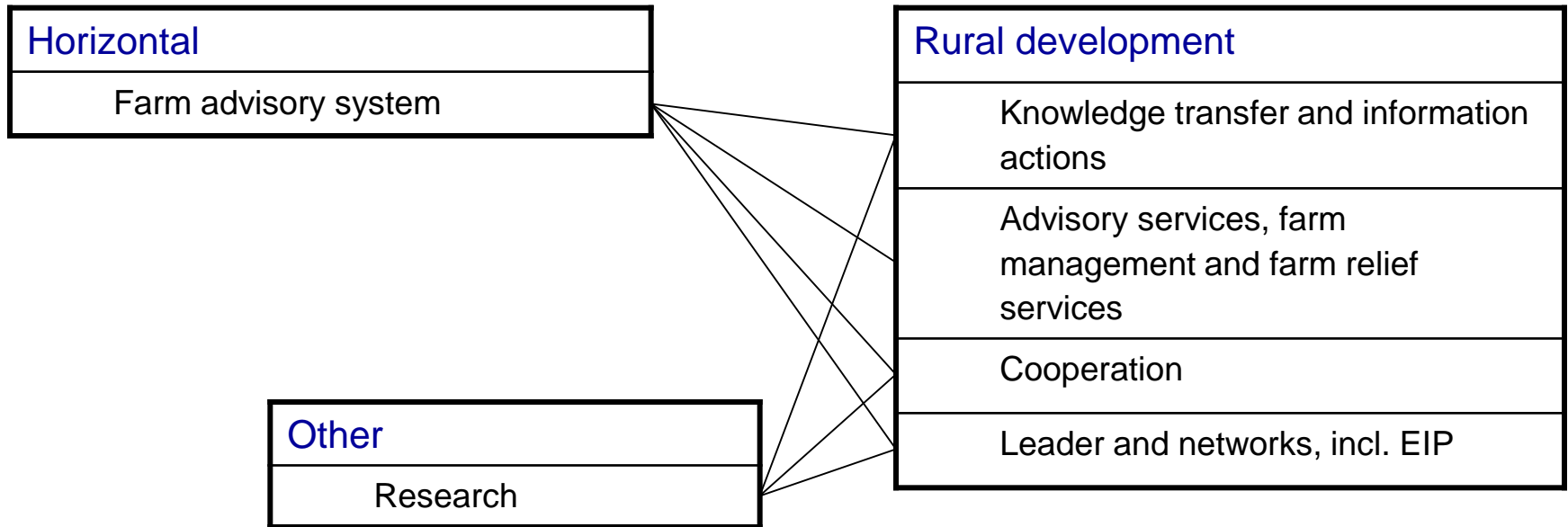
See also fruit and vegetable operational programmes that support product improvement and promotion, and support programmes in the wine sector that support the restructuring and conversion of vineyards, promotion and investments.

Safety net and risk management



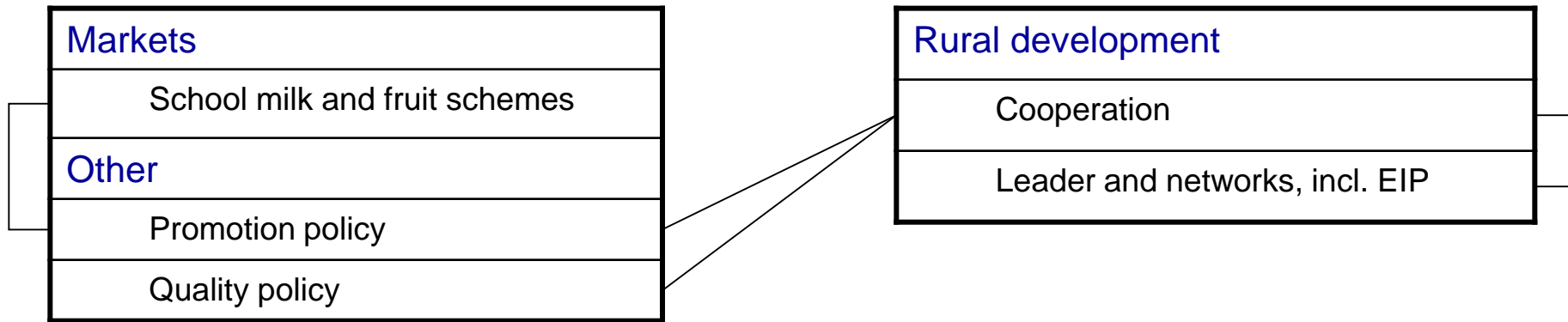
See also crisis prevention and management under fruit and vegetable operational programmes and mutual funds and harvest insurance under support programmes in the wine sector

Knowledge transfer and innovation



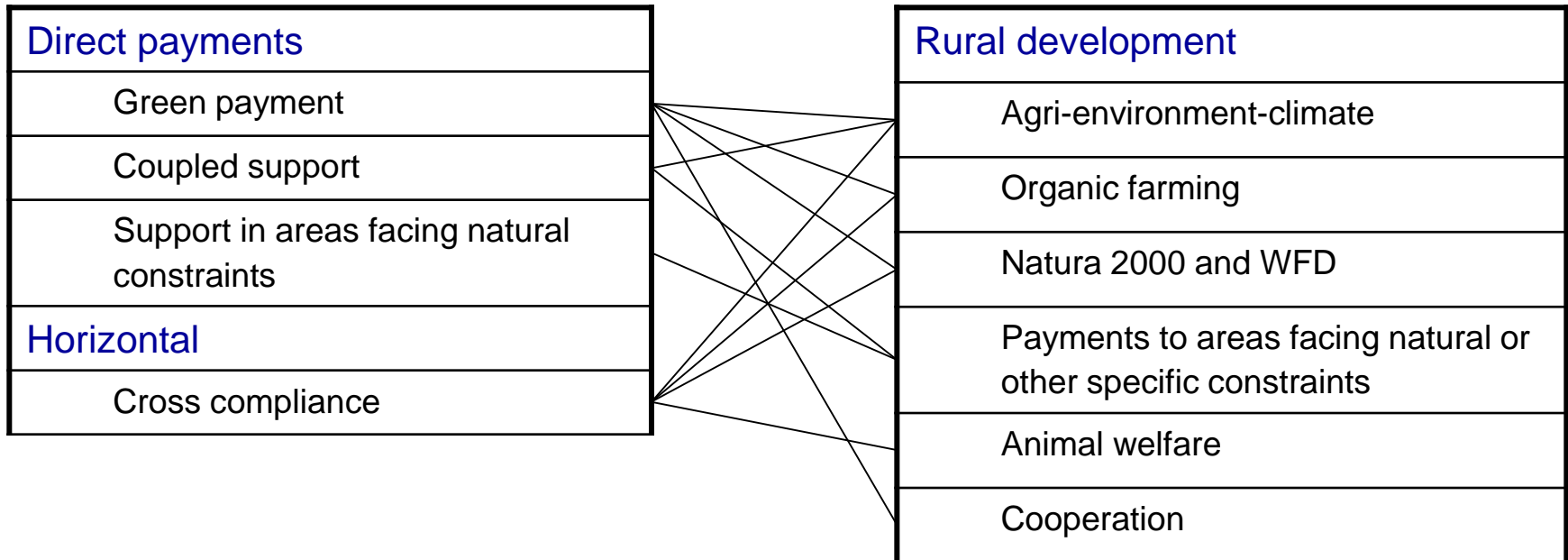
See also promotion and info actions under fruit and vegetable operational programmes and support programmes in the wine sector

Consumer awareness



See also promotion and info actions under fruit and vegetable operational programmes and support programmes in the wine sector

Sustainable production and land management



See also environmental measures incl. organic farming in fruit and vegetable operational programmes

The green direct payment

30% of the direct payment envelope for applying three basic practices :

- Maintaining **permanent grassland**
 - ✓ ban on ploughing in designated areas
 - ✓ national/regional ratio with 5% flexibility
- **Crop diversification**
 - ✓ at least 2 crops when the arable land of a holding exceeds 10 hectares
 - ✓ at least 3 crops when the arable land of a holding exceeds 30 hectares
 - ✓ the main crop may cover at most 75% of arable land, and the two main crops a maximum of 95% of the arable area
- **“Ecological focus area”** of at least 5% of the arable area of the holding
 - ✓ only applicable for farms with more than 15 hectares arable land.
 - ✓ EFAs may include: field margins, buffer strips, fallow land, landscape features, afforested area, terraces, areas with catch crops, green cover and nitrogen fixing crops, short rotation coppices, agro-forestry, strips of land along forest edges

Equivalence: MS can decide that, instead of applying these three practices, a farmer can undertake practices which are considered equivalent (e.g. crop rotation instead of crop diversification).

Linking the pillars

Greening– rural development – cross compliance

- Possibility to comply with greening through 'equivalent' measures in PII
 - Only 5 Member States out of which only 3 Member States via RDPs
- Baseline or no double funding
 - Political decision to follow the no double funding approach
 - Highly applicable in case of AEEM measures of similar type than greening obligations
 - *Demarcation provisions?*
 - *Coordination in paying agency?*
- Annuality of greening and multi-annual AEEM
 - Need for check on AEC payments on an annual basis necessary in case the greening implementation at farm level changes
 - *Implications for AEEM?*

Thank you