

# **Common Agricultural Policy Reform in the context of the new Multiannual Financial Framework (MFF)**

## Budgetary allocation.

- ✓ **CAP budget for 2021-2027 will account for 28.5% of the EU-27 budget, compared to 2014-2020, which covered 37.6% of the EU 28 Member States**
- ✓ **The financial allocation for CAP post 2021 will be 365 billion Euros for the 27 Member States**
- ✓ **EAGF allocation for Romania, in terms of direct payments, is 13.534 billion Euros for the period 2021-2027, compared to 12.394 billion Euros in 2014-2020 and EAFRD allocation is 6.758 billion Euro compared to 8.016 billion Euros in 2014-2020**

## Commissions Communication as regards CAP in the context of MFF (1):

- ✓ The decision to maintain the two pillars of the CAP (reconfirms the importance of direct payments and rural development in order to support efforts of achieving a level playing field and equity between European farmers, along with modernization efforts)
- ✓ MS have the potential to simplify and reduce the administrative burden as regards the management and control of the CAP (there is no universal approach)
- ✓ The simplification elements are relevant to the COM, however, increases the complexity of activities for MS, which can eventually be more difficult to coordinate at European and national level
- ✓ Strategic plans developed by MS for direct payments seem not to induce a simplification for beneficiaries and administrations

## Commissions Communication as regards CAP in the context of MFF (2):

- ✓ **COM proposes 2016 as reference year for external convergence of direct payments and for increasing the financial envelope. (The proposal for the continuation of external convergence of direct payments, even if does not lead to the completion of this process is a positive sign)**
- ✓ **COM proposes a 4% reduction of direct payments**
- ✓ **COM proposes that for all MS with direct payments below 90% of the EU-27 average, the difference between their current level and 90% of the EU average direct payments will be closed by 50%. This convergence will be financed by all MS through declining by 3.9% the ceiling in 2021 compared to 2020**

## Commissions Communication as regards CAP in the context of MFF (3):

- ✓ **Pillar II co-financing rates are significantly reduced from the standard 85% co-financing at national level to 70% for all interventions under EAFRD**
- ✓ **Allocating at least 30% for interventions targeted at environmental and climatic specific objectives (except payments for areas with natural constraints and other specific constraints). This will result in an insufficient allocation for the current needs of rural areas as regards the actions related to economic development of the countryside**
- ✓ **The new program provides an additional amount specifically designed to support research and innovation in food, agriculture, rural development and bio-economic sector**

# MS positions as regards CAP in the context of MFF (1)

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- ✓ **The majority of MS (Austria, Finland, Poland, Slovakia, Czech Republic, Romania) consider that the CAP budget shouldn't be reduced**
- ✓ **Flexibility and subsidiarity granted to Member States should not lead to re-nationalization of the CAP (Lithuania, France, Poland, Romania, Slovakia, Slovenia);**
- ✓ **Trough the new simplification efforts implemented via EU rules the complexity shouldn't be transferred to MS (majority of MS, including Romania)**
- ✓ **Special attention should be granted to strengthening farmers' bargaining power in the food chain (majority of MS, including Romania)**

# MS positions as regards CAP in the context of MFF (2)

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## Direct payments:

- ✓ **Most MS (except the Netherlands) highlighted the positive effect of direct payments on farmers revenue, both as a safety net in times of excessive volatility of the market and also as a risk management tool**
- ✓ **MS have recognized that direct support should be better oriented towards: active farmers, family farms, small and medium farms, young farmers, deficient sectors, less favorable areas**
- ✓ **The group of MS under the European average (Poland, Romania, the Baltic States, Portugal and Slovakia) have requested further convergence process external to equalize subsidies in Europe and to eliminate discrimination between farmers in different MS**
- ✓ **Most MS indicated the need to maintain coupled support scheme, possibly including new areas (Netherlands, Sweden, Denmark and Luxembourg have expressed reluctance to continue such support)**
- ✓ **Maintaining and improving mechanisms of market measures for crisis situations (animal and plant diseases, market disturbances, weather phenomena assimilated to natural disasters)**

# MS positions as regards CAP in the context of MFF (3)

## Rural development:

- ✓ **Most Member States stressed the need to simplify measures, programming, evaluation and monitoring of rural development program in order to reduce the administrative burden for authorities and beneficiaries**
- ✓ **Need for generational renewal in the agricultural sector by improving existing instruments, available in both pillars of the CAP (Romania, Finland, Holland, Hungary, Italy, Slovenia, the UK and France)**
- ✓ **The large majority of MS have already indicated that European farmers have an important role in protecting the environment and climate change mitigation**
- ✓ **Increasing environmental ambitions of the CAP and setting targets connected to international commitments must take into consideration the maintenance of competitiveness, without undermining the level playing field of European farmers in relation with farmers from third countries**



## Romania's position as regards CAP in the context of MFF (2):

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### Direct payments (1):

- ✓ **Modernizing and simplifying the CAP**
- ✓ **The principle of granting derogations to small farms and for organic farming should be maintained**
- ✓ **The alternative for choosing the internal convergence should remain at MS level**
- ✓ **Reconsidering redistributive payment to support rural households as backing small business development and maintain them in the short chain**
- ✓ **Continuation of SAPS without national co-financing, possibly limited and equal co-financing for all Member States**
- ✓ **Reshaping coupled support in both the vegetable and livestock sectors and not limited to sectors and regions in difficulty**
- ✓ **Continuity in financing of the wine and apiculture sector through national programs (with European funding)**
- ✓ **Strengthening cooperation through producer and interprofessional organizations**

# Romania's position as regards CAP in the context of MFF (4):

## Rural Development (1):

- ✓ Rural development policy should meet the needs of development and modernization of the agricultural, agri-food sector, of rural areas by creating jobs and supporting infrastructure
- ✓ A more consistent budget to meet the need for convergence between MS
- ✓ The decrease of EAFRD co-financing rate represents a sensitive issue (given the proposed EAFRD budget decreased for Romania with approx. 2 billion Euro)
- ✓ Increasing the importance of local governance in rural development through LEADER instrument
- ✓ Attracting young people and keep them in the rural area, facilitating access to land, financing, training and innovation
- ✓ Risk management tools to be better suited to the context and realities of Romania and which can be effectively applied. The mutual funds have to be reconsidered build on the realities of the agricultural sector.

The next phase will be very demanding and challenging for the EU.  
Why?

- ✓ **Completion of discussions as regards the future of Europe**
- ✓ **Completion of negotiations on the Multiannual Financial Framework and Brexit**
- ✓ **EP elections, together with the replacement of the European Commission**

**=>These will impact the negotiations on CAP reform**

# RO will take over the Presidency of the EU Council and has the following objectives:

- ✓ **Strengthening the European Project**
- ✓ **Avoid delays due to uncertainty surrounding the MFF, with a impact on the adoption of the new CAP reform with consequences for EU farmers**
- ✓ **Reaching a partial approach on the new CAP reform**

**!!! We are asking for the support of all MS, especially those from the TRIO (Finland and Croatia) in order to create an ambitious strategy for the completion of MFF and CAP negotiations**

***THANK YOU FOR YOUR ATTENTION!***