



European
Commission

The EU Common Agricultural Policy in 2014-2020: Financing climate measures

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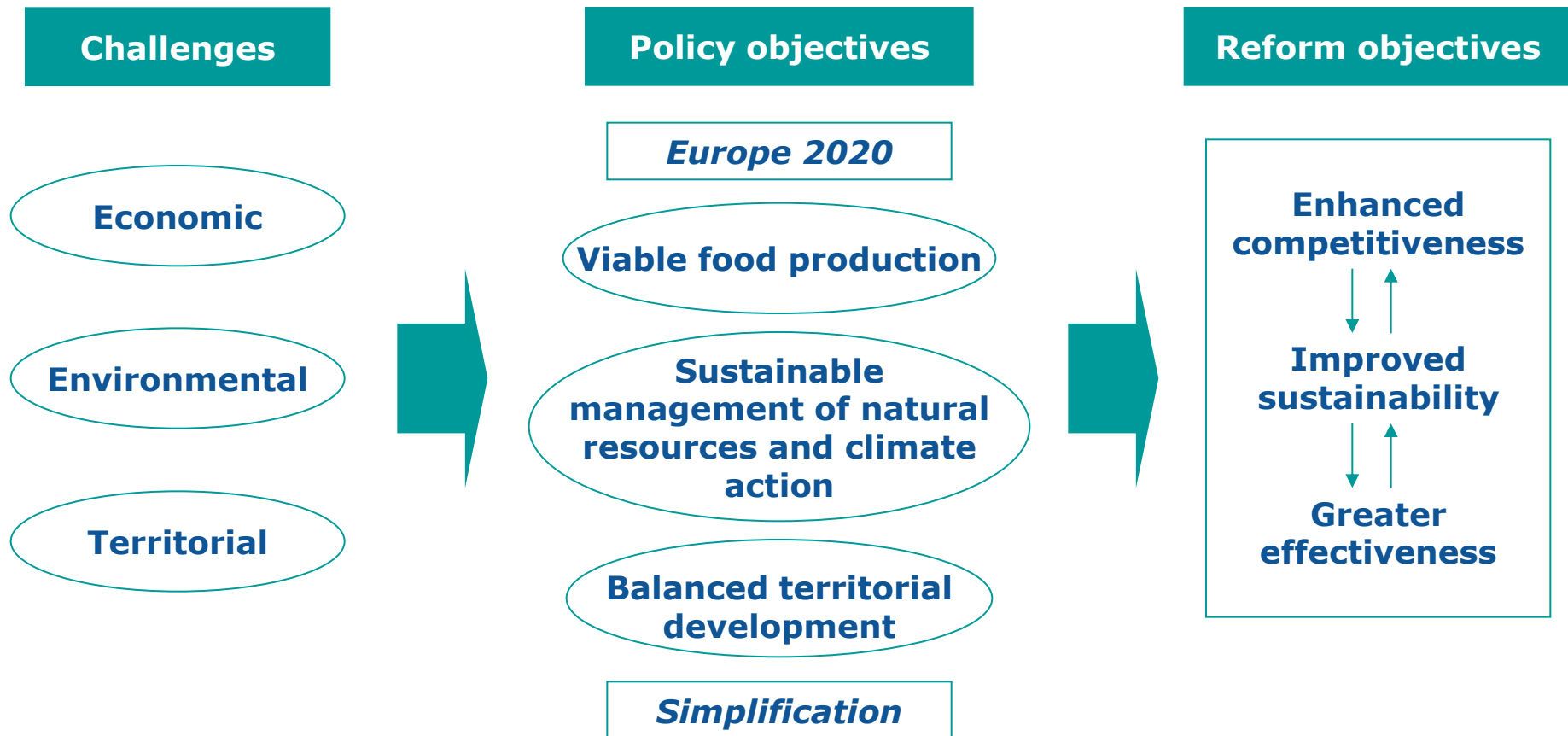
Agriculture
and Rural
Development



MFF 2014-20: financing climate action

- **Integration approach** – using all EU funds
- **Objective** - At least **20 %** of EU budget 2014-20 to be spent on action over climate change – core element of "greening" the EU budget
- Specific **earmarked** contributions only for some EU funds, for other funds, relevant contribution
- **Climate tracking** - giving an indicative estimate of spending related to climate change (mainstreaming)

The CAP post-2013 – from challenges to reform objectives



What CAP instruments to meet the reform objectives?

Enhanced competitiveness

- Improved economic tools to address market developments
- Crises management: safeguard clause, crisis reserve / risk management toolkit
- Improved position of farmers in the food supply chain (PO, APO, IBO)
- Research, innovation and knowledge transfer and an improved Farm Advisory System

Improved sustainability

- New 'green' payment in Pillar I
- Enhanced cross compliance for climate change
- Two environmental priorities for rural development and minimum spending
- Research, innovation and knowledge transfer and an improved Farm Advisory System

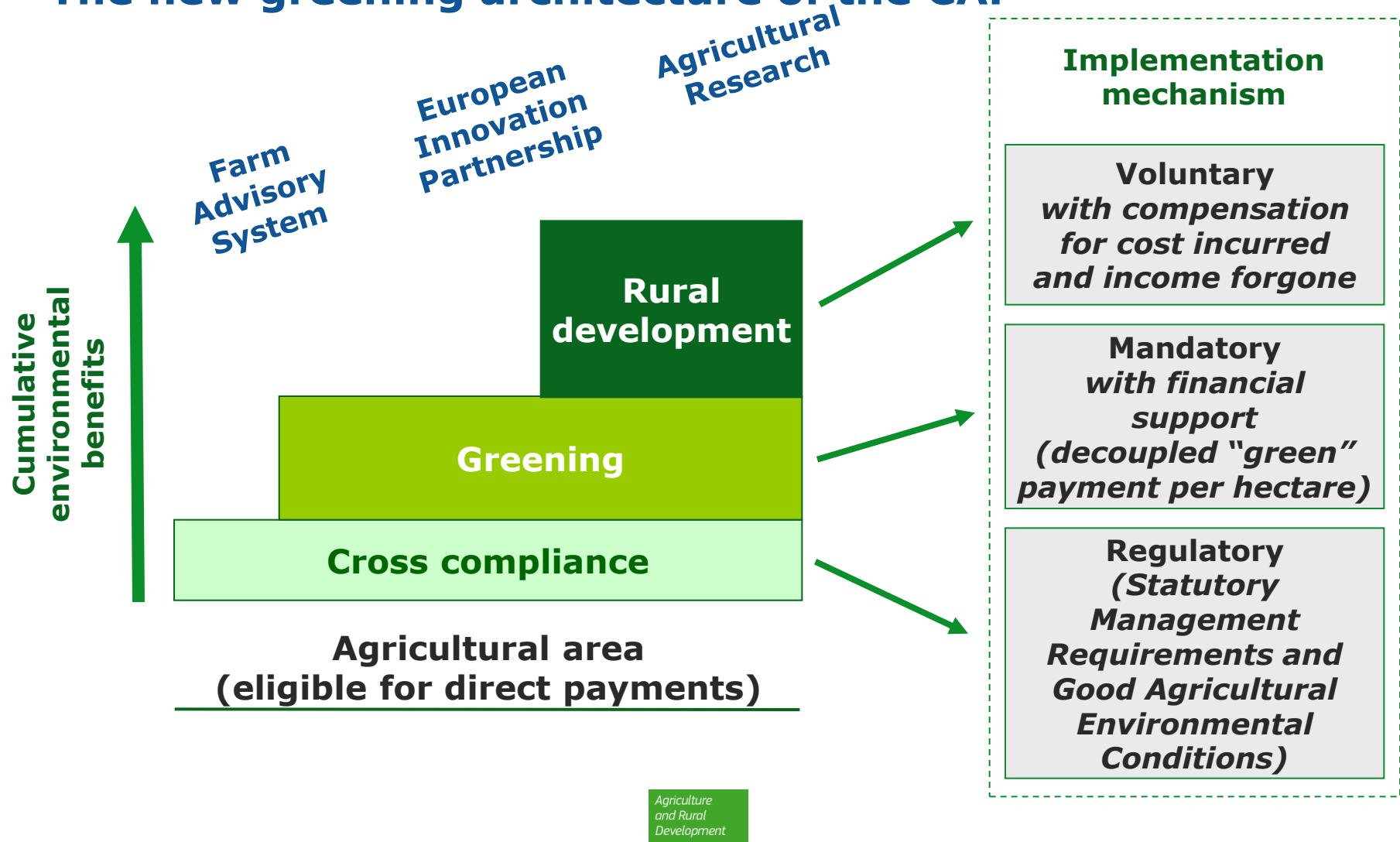
Greater effectiveness

- Redesign of direct payment architecture with better targeting
- Common strategic framework for EU funds – partnership contract
- Redistribution of direct payments across and within Member States
- Redistribution of rural development envelopes

Greater integration of PI
and PII instruments

Greater flexibility in
implementation to meet
specific needs/conditions

The new greening architecture of the CAP



The new framework of the EU's rural development policy

Coordination and complementarity with ESI Funds

European
Level

Common Provisions Regulation for ESI Funds

- Covering the EAFRD, ERDF, ESF, CF, EMFF
- Reflecting EU2020 through 11 common thematic objectives to be addressed by key actions for each of the funds

National
Level

Partnership Agreement

National document outlining the intended use of the funds in the pursuit of EU2020 objectives

National or
Regional
Level

Rural Development Programme(s)

- (Other funds' operational programmes)

Strategic programming

Rural development priorities



Focus areas

Cross-cutting objectives

1. Knowledge transfer and Innovation

- (a) innovation, cooperation, and the development of the knowledge base;
- (b) links between agriculture, food production and forestry and research and innovation;
- (c) lifelong learning and vocational training.

2. Farm viability, competitiveness, innovative farm technologies, sustainable forest management

- (a) economic performance of all farms and farm restructuring and modernisation, notably to increase market participation/orientation and diversification;
- (b) facilitating entry of adequately skilled farmers and generational renewal.

3. Food chain organisation, incl. processing/marketing, animal welfare and risk management

- (a) integration of primary producers into the agri-food chain: quality schemes, adding value, promotion in local markets and short supply circuits, producer groups/ organisations;
- (b) farm risk prevention and management.

4. Restoring, preserving and enhancing ecosystems

- (a) biodiversity, including in Natura 2000 areas, areas facing natural or other specific constraints and high nature value farming, and the state of European landscapes;
- (b) water management, including fertiliser and pesticide management;
- (c) prevention of soil erosion and soil management.

5. Resource efficiency and shift towards a low carbon and climate resilient economy

- (a) efficiency in water use
- (b) efficiency in energy use
- (c) renewable sources of energy, by products, wastes and non-food raw material for the bio-economy
- (d) reduction of greenhouse gas and ammonia emissions
- (e) carbon conservation and sequestration

6. Social inclusion, poverty reduction and economic development in rural areas

- (a) diversification, creation and development of small enterprises and job creation
- (b) local development in rural areas
- (c) information and communication technologies (ICT) in rural areas

Innovation, Climate Change and Environment



Rural development programmes

Programming at national or regional level with

- Setting quantified targets at programme level linked to priorities
- Using streamlined tool-kit of measures to be combined in relevant packages to address priorities and achieve targets
- Possibility of thematic sub-programmes (e.g. young farmers, small farms, mountain areas, short supply chains, woman in rural areas, **climate change mitigation & biodiversity**, ...)

Financing

- Allocation of national envelopes to be based on objective criteria and current allocation
- Co-financing (different rates from 53% up to 90% for certain measures / regions)
- **30 % of rural development funding has to be spent on certain measures beneficial for the environment and the fight against climate change**

Common Monitoring and Evaluation System (+ performance framework)



Required minimum budgetary allocations in rural development programmes (RDP)

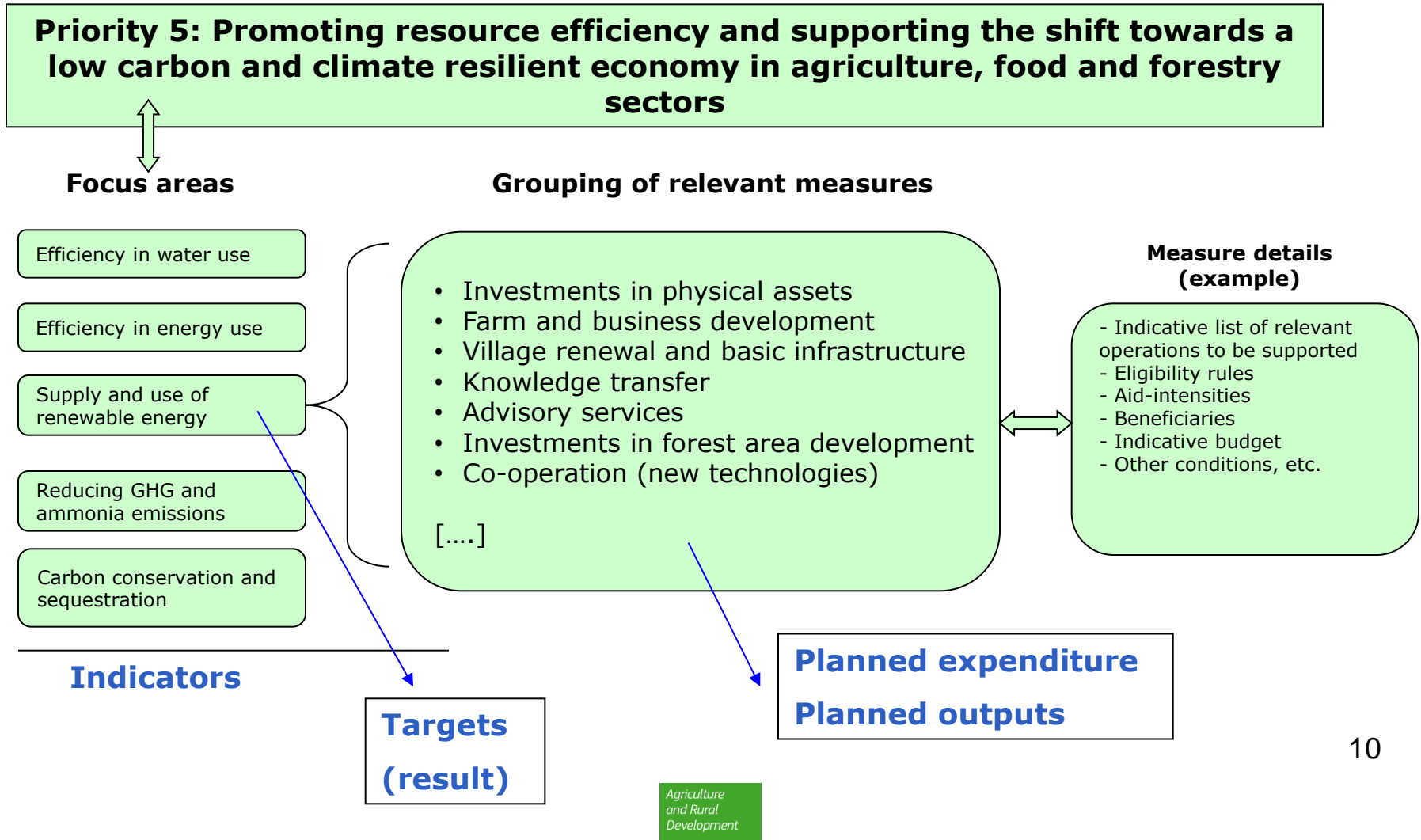
A minimum amount of the total EAFRD contribution to the RDP shall be reserved:

- **At least 30% for:**
 - **Environment and climate related investments** (Article 18)
 - Forestry measures (Articles 22-27 and Article 35)
 - **Agri-environment-climate** (Article 29)
 - Organic farming (Article 30)
 - Natura 2000 (Article 31 with the exception of WFD related payments)
 - ANCs (Articles 32-33)
- **At least 5% for Leader**

NB: These provisions shall not apply to the outermost regions and the overseas territories



Grouping of measures and indicators per focus areas: an example



How will we apply the climate markers to RD spending?

- *All operations under priorities 4 and 5 assumed to contribute to climate change objectives at level of 100%.*
- *All operations under focus areas 3b and 6b assumed to contribute at level of 40 %.*
- *Required information arises automatically from:*
 - **financing plan in RDPs (programmed spending);**
 - **annual implementation reports (execution of programmed spending).**

How will spending on climate change be tracked?

- Approach will give **indicative estimate** of spending related to climate change
- **Common, simple, pragmatic**, without additionnal administrative burden
- Built on "Rio markers" approach set by OECD
- Made more quantitative by using 3 coefficients ("**markers**"):
 - **0 %: Not related to climate change mitigation, adaptation**
 - **40 %: Significantly climate-related**
 - **100 %: Climate-related "only"**
 - **use of more precise tracking not excluded**
- **Informative** system, not strict "accounting" exercise
- Can be **adapted** to specific features of policies