



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



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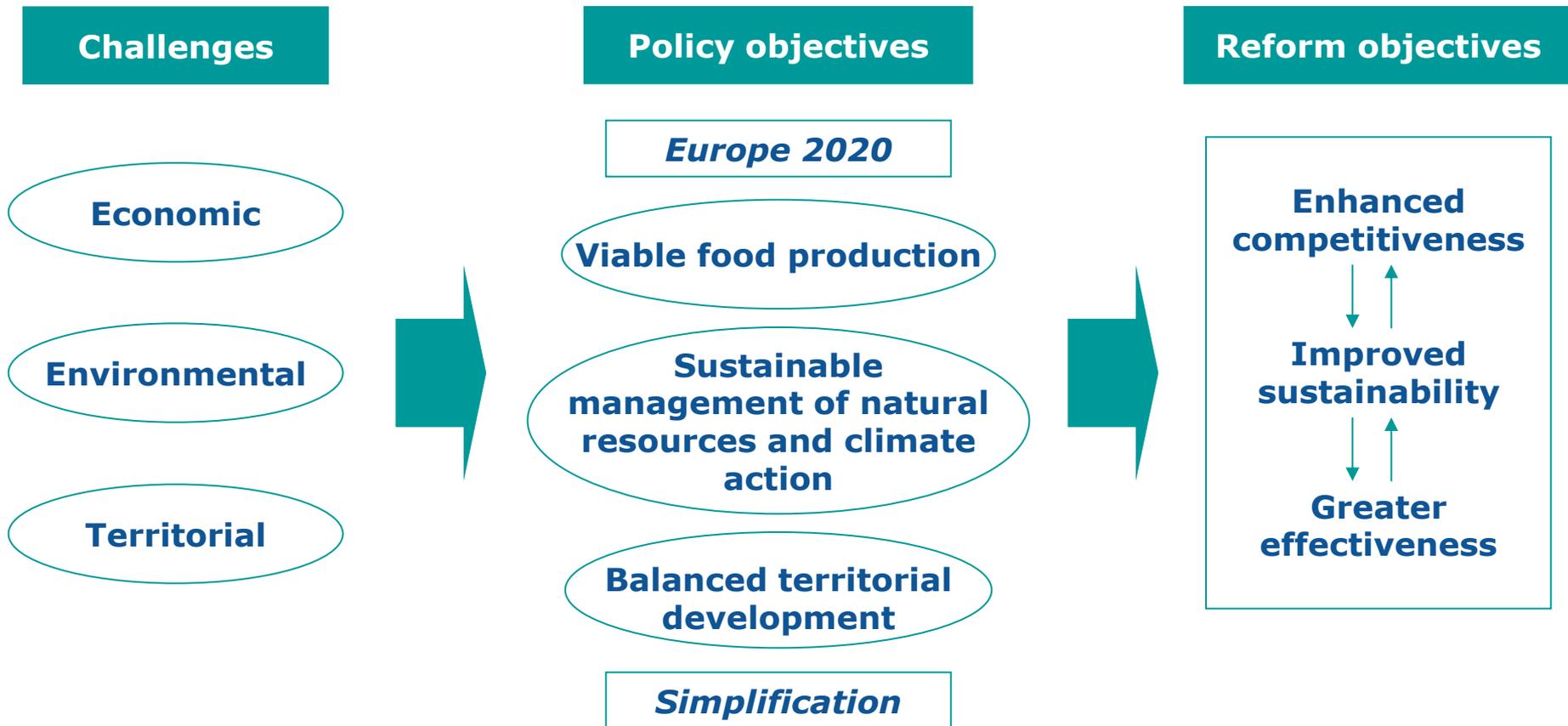
Agriculture  
and Rural  
Development



## 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  
sustainability**



**Greater  
effectiveness**

- 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

- 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

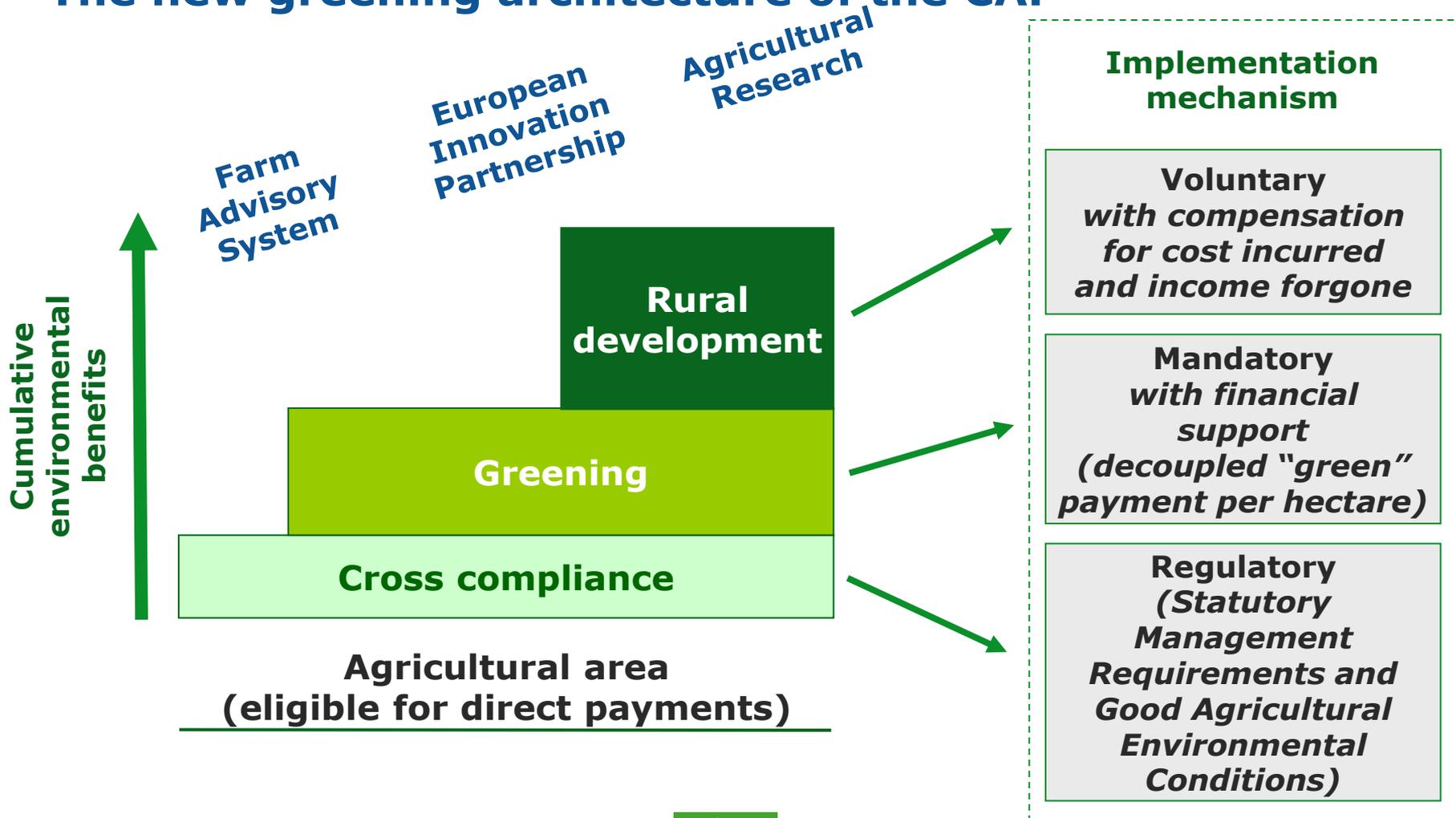
- Redesign of direct payment architecture with better targeting
- Common strategic framework for EU funds – partnership contract
- Redistribution of direct payments across and within Member States
- Redistribution of rural development envelopes

**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)



**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)

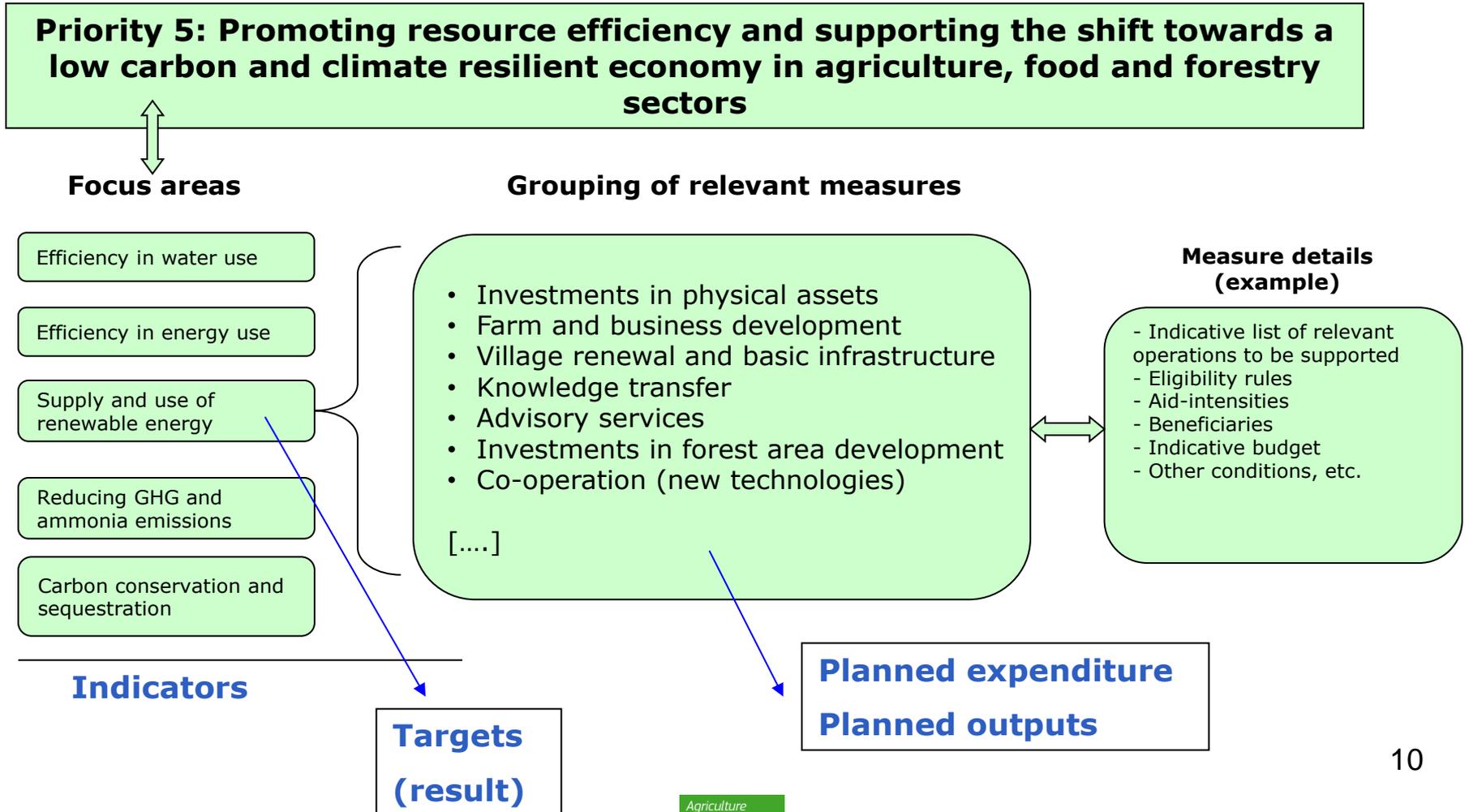
A minimum amount of the total EAFRD contribution to the RDP shall be reserved:

- **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 additional 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