

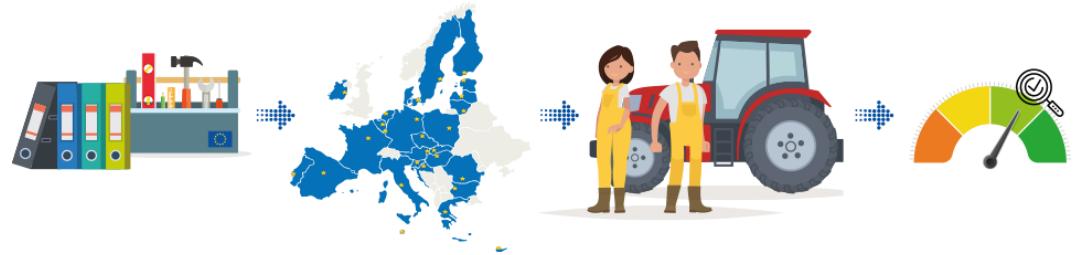
The CAP after 2020



The CAP Strategic Plans: A shift towards a performance-oriented policy

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European Commission



Evaluation WORKS Seminar

Athens, 13 November 2019

A shift towards a performance-oriented policy

- 1 Main principles and content of the CAP Strategic Plans**
- 2 How to prepare a CAP Strategic Plan? From the SWOT to the Interventions...**
- 3 The new performance framework in practice...**



1. Main principles and content of the CAP Strategic Plans



A STREAMLINED CAP PLAN

Three different administrative processes will be integrated into a single one.

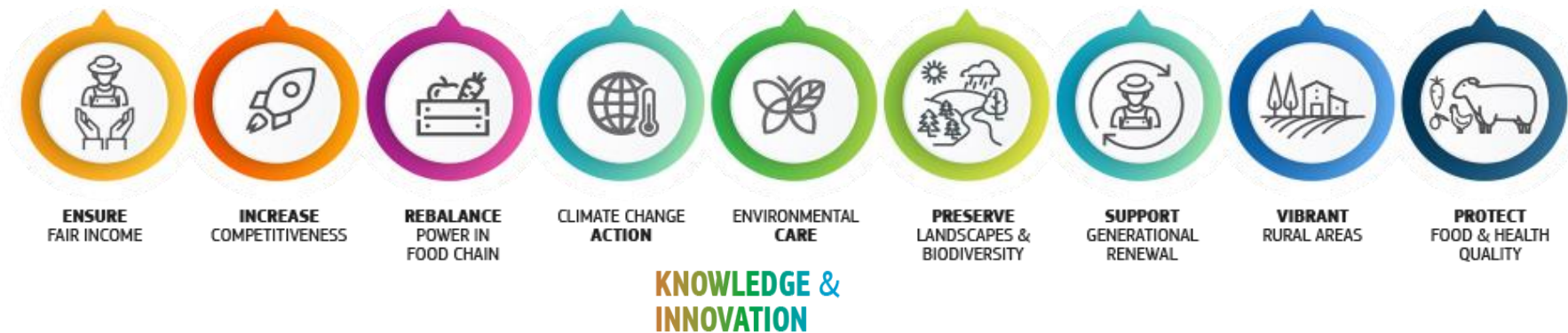
- **Single strategic approach based on a needs assessment**
- **Ensuring level-playing field and legal certainty**

26 Direct Payments notifications per MS
118 rural development programmes
65 sectorial strategies



27 CAP plans
At the level of MS

THE 9 CAP OBJECTIVES and main policy principles



SIMPLIFICATION



**Reduce
administrative
burden**

PERFORMANCE BASED SYSTEM



**Ensure
policy results**

BETTER TARGETING



**Rules with better links to
local realities**

KEEP STRONG COMMON ELEMENTS



**Keep a level
playing field**

Enhanced ambition

The 9 Specific Objectives



Entry point for Strategic Planning

Types of Interventions

Support viable farm income and resilience across the Union to enhance food security

Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation

Improve the farmers' position in the value chain

Contribute to climate change mitigation and adaptation, as well as sustainable energy

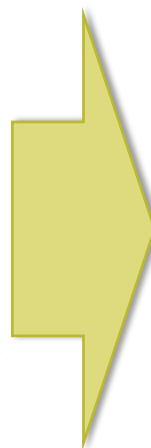
Foster sustainable development and efficient management of natural resources such as water, soil and air

Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes

Attract young farmers and facilitate business development in rural areas

Promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry

Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare



**CAP
Strategic
Plan**

*BISS
CRISS
CIS-YF
Eco-schemes
Coupled support*

Sectorial types of interventions

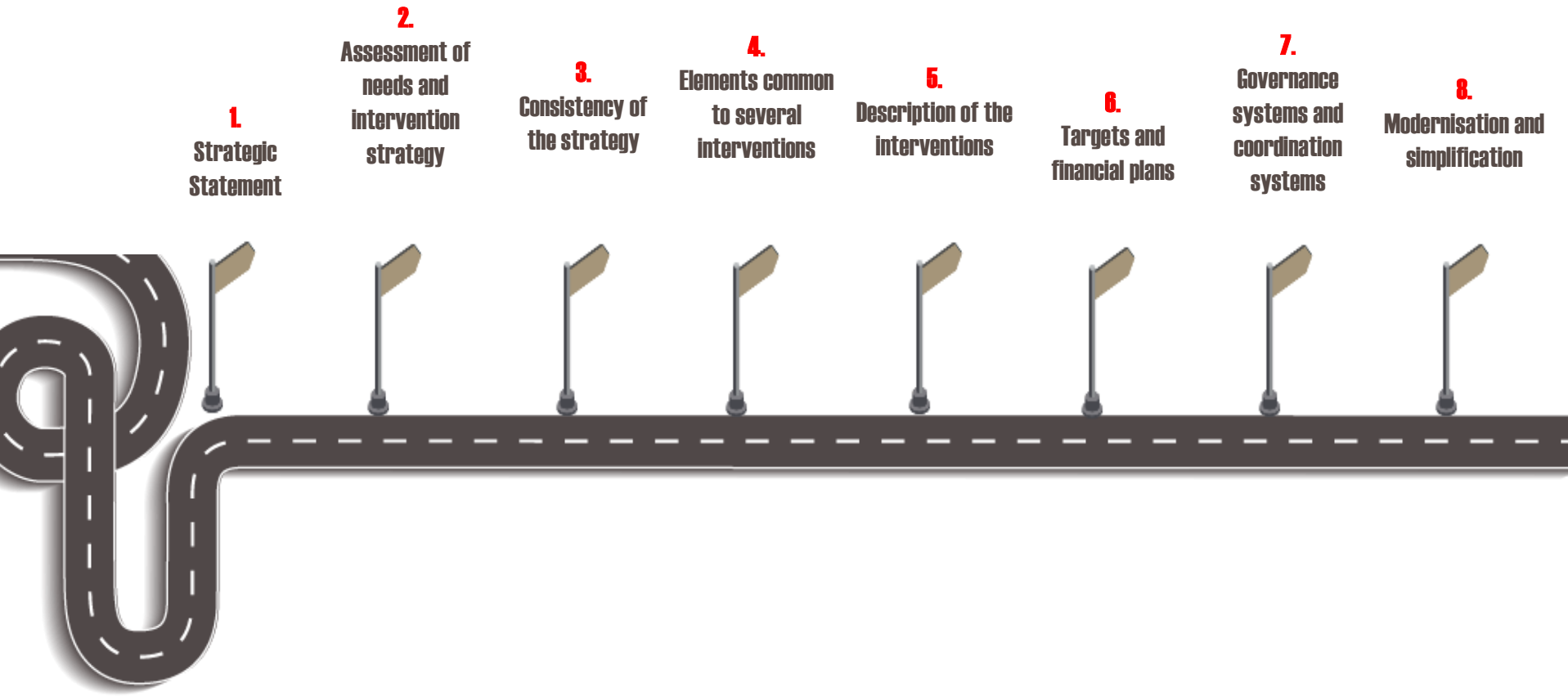
*Management commitments
Natural constraints
Area-specific disadvantages
Investments
Installation of YF and start-up
RM tools
Cooperation
Knowledge exchange and information*



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CAP Plan Template

8 chapters + Annexes:



2. How to prepare a CAP Strategic Plan?

From the SWOT to the Interventions...



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Key steps towards the CAP Strategic Plan

1/ SWOT analysis



2/ Identification, prioritisation and ranking of needs



3/ Intervention strategy



*Selection of the interventions
and financial allocations*

Targets for result indicators



SWOT as a first step: why is it important?

The SWOT is a tool, not an end in itself: the first link in a chain

- To give an overall and **comprehensive** picture of the territory covered by the CAP plan
- To identify the **specificities** of the territory
- To provide the **foundation** for the needs assessment
- To support the setting of targets
- To provide justifications for priorities for intervention, providing an **evidence-based rationale** for strategic choices
- To provide the background against which the interventions can be checked to ensure that they are **justified, relevant and adequate** in terms of the optimal use of public funds



SWOT: key elements

- To be carried out for **each Specific Objective**
- Comprehensive overall description of the **current situation** of the area covered by the CAP Plan: a condensed narrative of the context baseline situation
- Where relevant, regional specificities to be reflected
- Including **all** relevant territorial, sectoral, economic, social, structural or environmental trends, etc.
- Based on:
 - ❖ Common context indicators (*draft list available*)
 - ❖ Other quantitative and qualitative up-to-date information (e.g. studies, past evaluation reports, sectoral analysis, lessons learned from previous experiences, etc.)



SWOT: specific requirements under certain SOs

❖ **Environmental/climate objectives (4,5,6):**

An explicit reference to relevant elements of national plans emanating from environmental and climate legislation (12 Directives/Regulations listed in Annex XI), e.g.:

- **Current state of the Natura 2000 network described in the Prioritised Action Framework (PAF) for Natura 2000;**
- **Current state of waters, status objectives, pressures and risks described in the River Basin Management Plans (WFD);**
- **Current situation and projections with existing policies and measures from the National Energy and Climate Plan;**
- ...



SWOT: specific requirements under certain SOs

❖ **Young farmers (7):**

A short analysis of access to land, land mobility and land restructuring, access to finance and credit and access to knowledge and advice

Ex: barriers to land transmission among generations (succession patterns, taxation...); access to land obstructed by loss of agricultural land through soil sealing, urban development, changes of use, etc.; lack of tools to match supply and demand sides...

❖ **Cross-cutting Objective on knowledge and innovation:**

Relevant information about the functioning of the AKIS and related structures

Ex: existing advisory services, EIP experiences...

Key Issue for the SWOT: the data

❖ Context (including impact) indicators available:

- CAP context indicators - 2018 update

❖ EUROSTAT, FADN, JRC, EEA, COMEXT ...

❖ Analytical factsheets for each Member States

❖ **Now Published!!! Available at:**

https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/by_country/documents/analytical_factsheet_el.pdf

❖ Data should be quantitative and qualitative, also to cover potential data gaps

❖ Evaluations, reports and external studies

❖ National databases

Context indicators (draft available)

- ❖ They describe general information relevant to the policy
- ❖ There are 48 context indicators (3 more than currently)
- ❖ They include 26 of the 28 proposed impact indicators and most of the current context CMEF indicators
- ❖ They rely on data already collected by ESTAT, other DGs
- ❖ No new data requirements, *however there is a need to improve data quality and completeness for some indicators*



Second step: Needs Assessment



On the basis of the SWOT analysis

- **Identifying, describing, prioritising and ranking needs related to each CAP Specific Objective**
- **Complement participatory methods with technical tools**
 - E.g. 'Multi-Criteria Analysis', cost-benefit analysis, etc.
- **Making sound justification for choices made**
- **Using relevant environmental planning tools**
- **Specific focus on: risk management, vulnerable geographical areas, links to environmental/climate national plans**



Third step: Intervention strategy

- **Design of the interventions and establishment of the targets**
- **Overall consistency across specific objectives to be ensured**
- **Target setting using result indicators**
- **Overview of interventions contributing to results, incl. financial allocations and expected output**
- **Consistency: climate & environment, generational renewal, risk management, sectoral interventions, interplay between national and regional interventions**



Ex ante evaluation: interactive approach with the design of the CAP plan

by functionally independent experts !

***Ex ante evaluation:
process of developing a policy before its implementation***

- **Assessment of whether (Art.125 SPR):**
 - ❖ **Issues have been diagnosed correctly or there are gaps**
 - ❖ **Strategy and targets proposed are relevant to needs**
 - ❖ **The plan's approach is coherent and consistent**
 - ❖ **The assumptions on expected results are realistic and in line with the resources available**
 - ❖ **Adequate resources and suitable procedures are put in place**
 - ❖ **There is a rationale for the use of financial instruments (*new*)**
- **It should take into account the outcomes of strategic environmental assessment (SEA)**
- **It should enable successive drafts of the CAP plan to be refined/improved**
- **It sets the cornerstone for assessing plan performance**

The design of the CAP Strategic Plan...

CAP strategic plans and water (I)

1. EU specific objectives



2. EU impact indicators



3. Examples of links to other EU legislation

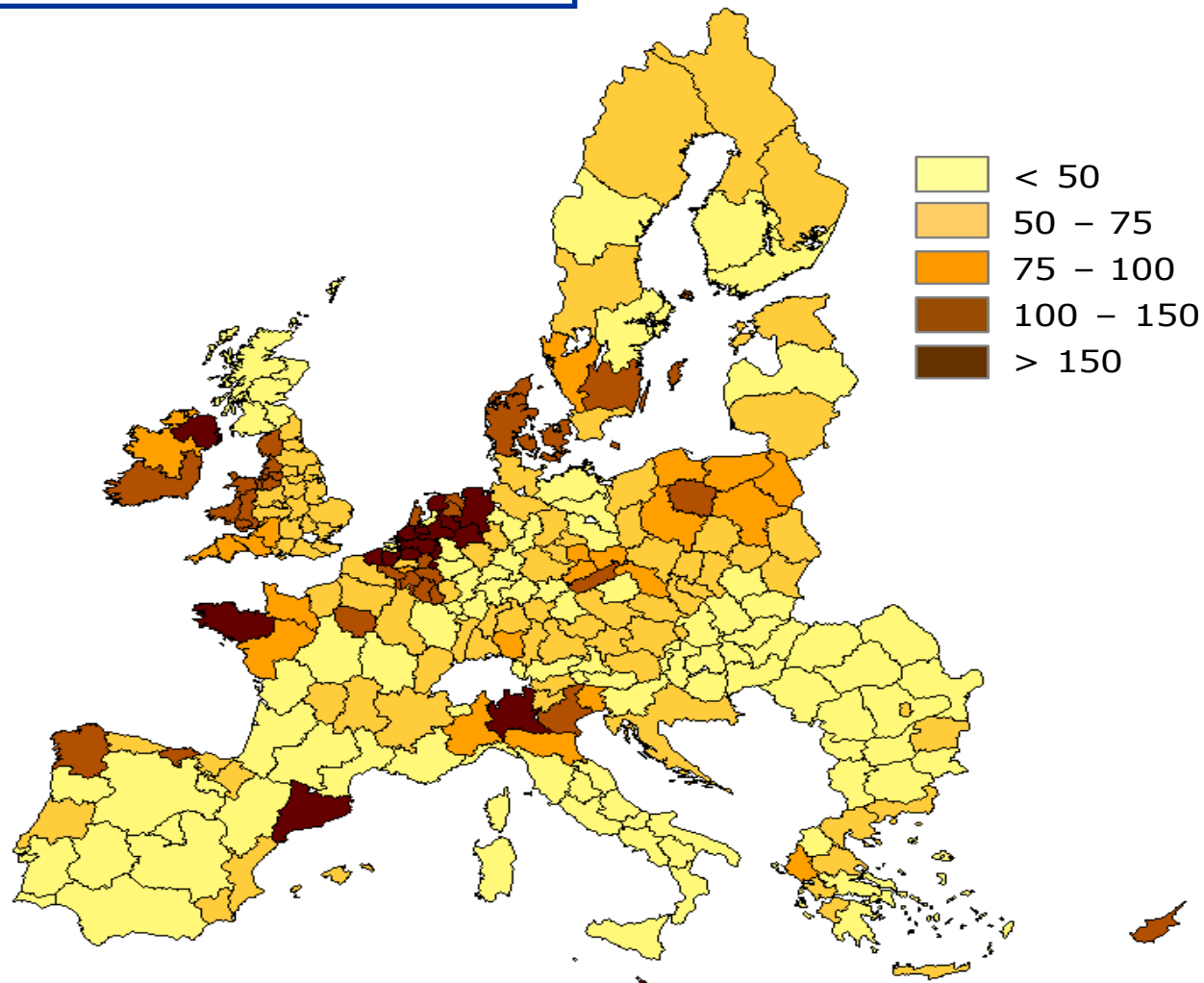
- Foster sustainable development and efficient management of natural resources such as **water**, soil and air

- I.15 "Improving water quality: gross nutrient balance on agricultural land"
- I.16 "Reducing nutrient leakage: nitrates in groundwater – percentage of groundwater stations with N concentration over 50 mg/l as per the Nitrates Directive"
- I.13: "Reducing pressure on water resources: Water Exploitation Index +"

- Water Framework Directive: good status of water bodies of river basin districts
- (Nitrates Directive & others)

No excuses for not using objective evidence!

N surplus by 2030, (kg N / ha)



Source: JRC, based on the 2016 CAPRI baseline

CAP strategic plans and water (II)

4. Identification of needs in MS's CAP strategic plan



5. Contribution of MS's CAP plan to EU objectives



6. Performance of MS's plan and of whole CAP

- SWOT analysis concerning every aspect of sustainable development / efficient management of natural resources, including water
- Link highlighted to existing relevant environmental legislation and related objectives (e.g. Water Framework Directive, need to bring water bodies to "good status")

- The CAP plan shows:
 - how it will help achieve the objective of sustainable development / efficient management of natural resources overall, including water;
 - within that framework, what contribution it will make to helping achieve good status of water bodies, as required by the Water Framework Directive.
- Targets set (at level of result indicators)
- Related interventions, planned outputs for these and financial allocations

- Progress towards achieving targets monitored annually (+ monitoring at intervention level)
- Longer-term evaluation of policy performance based on impact indicators

Relevant future CAP instruments (1): water-relevant elements of conditionality

- SMR 1: **Water Framework Directive** - arts. 11(3)(e) and 11(3)(h)
- SMR 2: **Nitrates Directive** - arts. 4 & 5
- GAEC 4: Establishment of **buffer strips** along watercourses
- GAEC 5: Use of **Farm Sustainability Tool for Nutrients**

Relevant future CAP instruments (2): example of further choices by a MS

- **"Pillar I eco-schemes"** with water-related elements
 - E.g. buffer strips going beyond conditionality requirements, with riparian vegetation
- **Pillar II area payments** for voluntary management commitments related to water
 - E.g. fertiliser use reduction, limitation of livestock density, organic farming
- **Investment support**
 - E.g. in more efficient irrigation systems, manure management facilities (beyond legal obligations)
- Support for **knowledge transfer** related to water

(N.B. Various types of area-based commitments could be funded in Pillar I or Pillar II, according to MS preferences.)

3. The new performance framework in *practice*





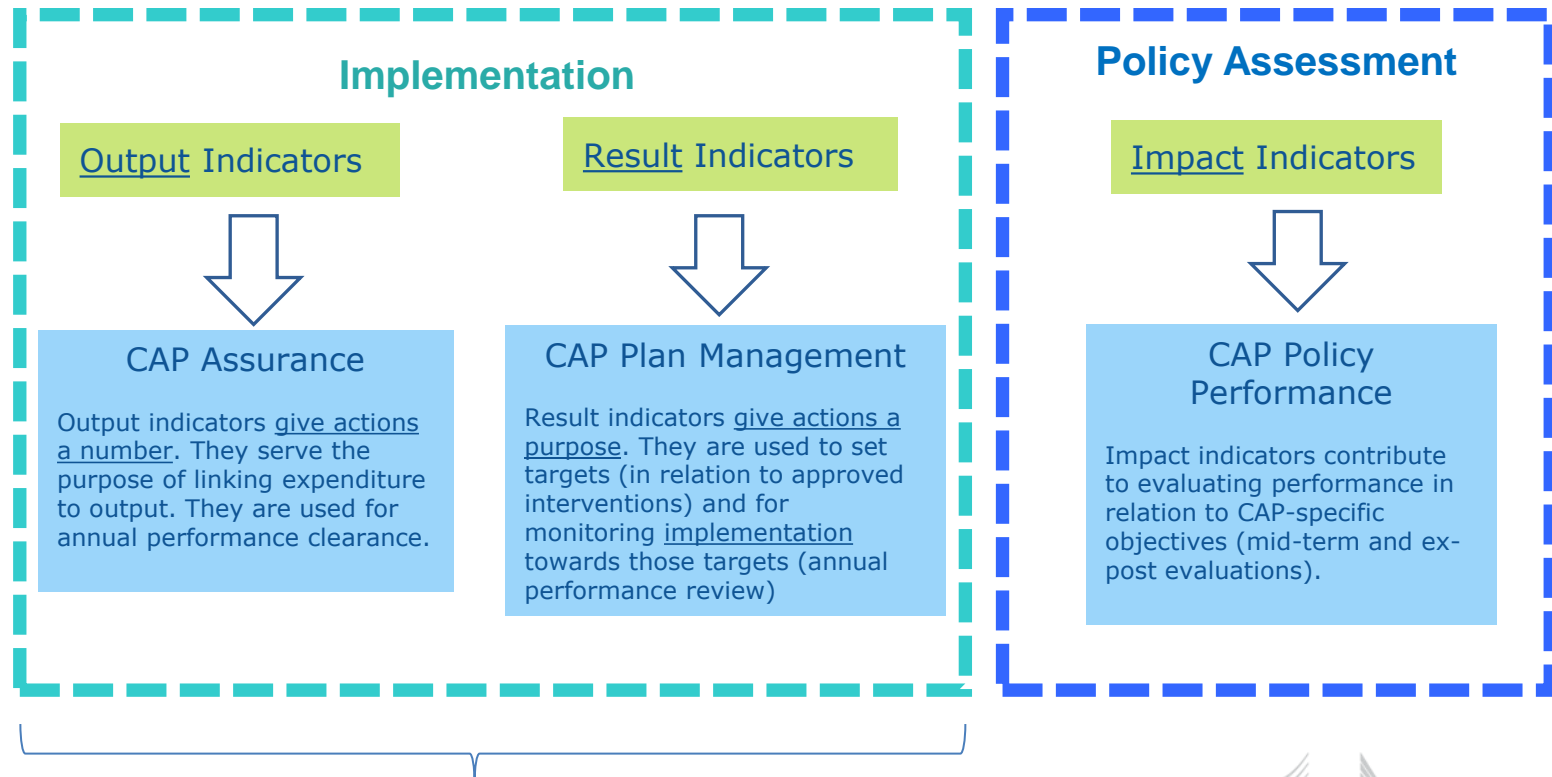
A COMMON SET OF INDICATORS



NB: Output counts each action once but one action can contribute to several results

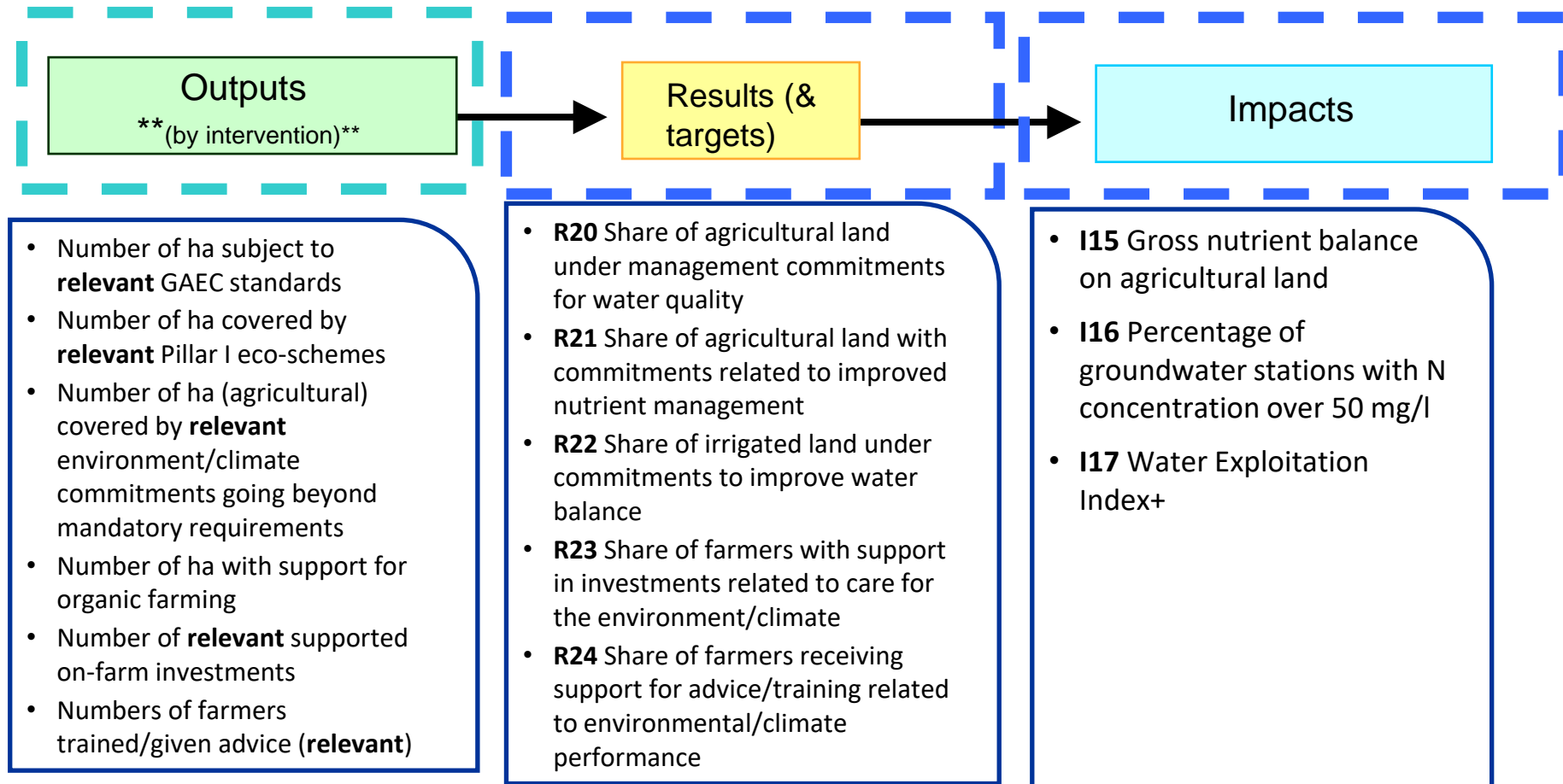


NB: One result can contribute to several impacts



To be reported annually

Outputs, results, impacts (related to SP 5, on water)





FOCUS ON PERFORMANCE

Multi-annual programming approach for the whole CAP

COMMON OBJECTIVES

INDICATORS

TYPES OF INTERVENTIONS

Assurance

Annual Performance Clearance

Linking expenditure to output



Common Output Indicators

Monitoring

Annual Performance Review

Checking progress towards targets



Common Result Indicators

**Policy
performance**

Interim Evaluation

Assessing performance towards
objectives



Common Impact Indicators



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Planning and reporting of the expenditure, outputs and results

0

CAP Strategic Plan (Title V of SPR)

- Planned unit amount &
- Planned variations (allowed by Art 89)
- +
- Annual Milestones for results



1

Covered by Certification Body opinion

Annual accounts (Art 88 HZR)

- Realised expenditure

Management declaration (Art 8(3) HZR)

- Necessary guarantees concerning the outputs

Annual performance report (art 121 of SPR)

- Realised outputs, results, and expenditure
- Qualitative assessment including justifications of deviations

Corresponding expenditure in annual accounts

Annual financial and performance clearance and performance review



NB: Impacts are only assessed through evaluation – not annually!

2

Annual financial clearance (art 51) **EXPENDITURE**

- Completeness, accuracy and veracity of the annual accounts



Annual performance clearance (art 52) **OUTPUTS**

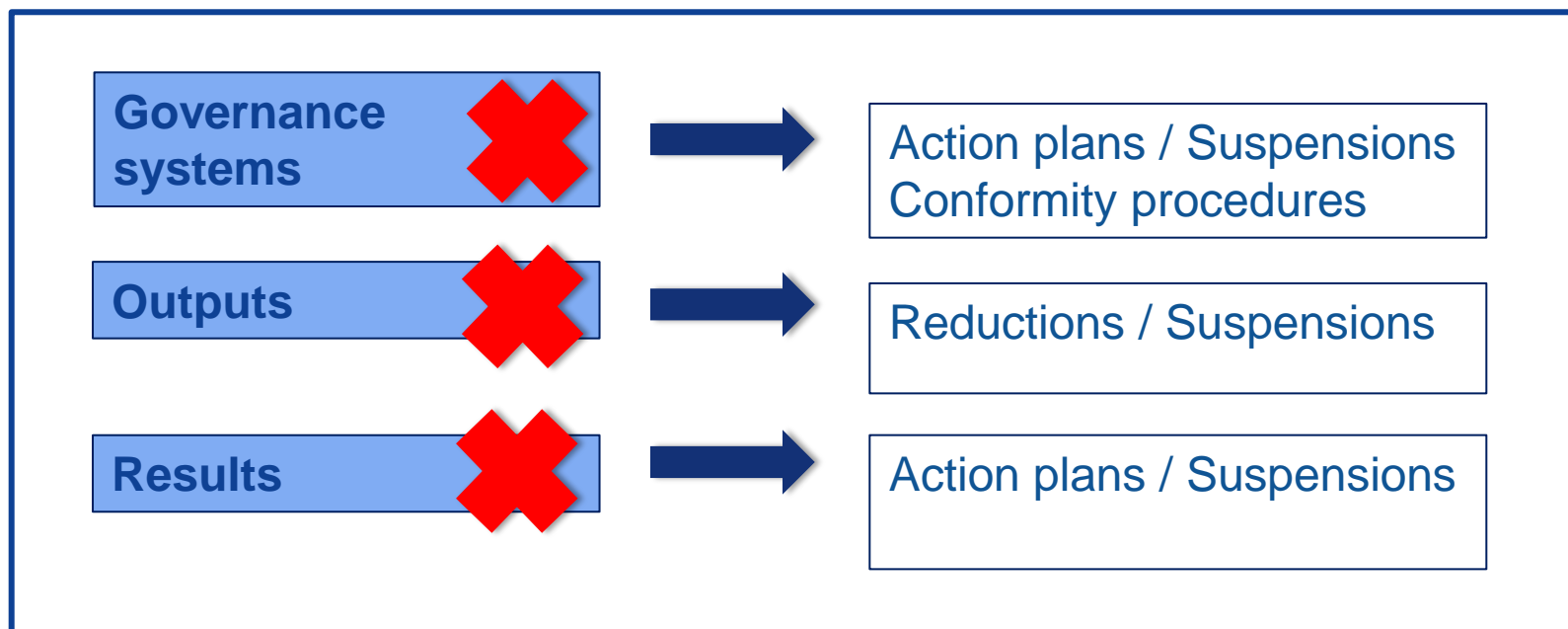
- Correspondence of outputs and expenditure



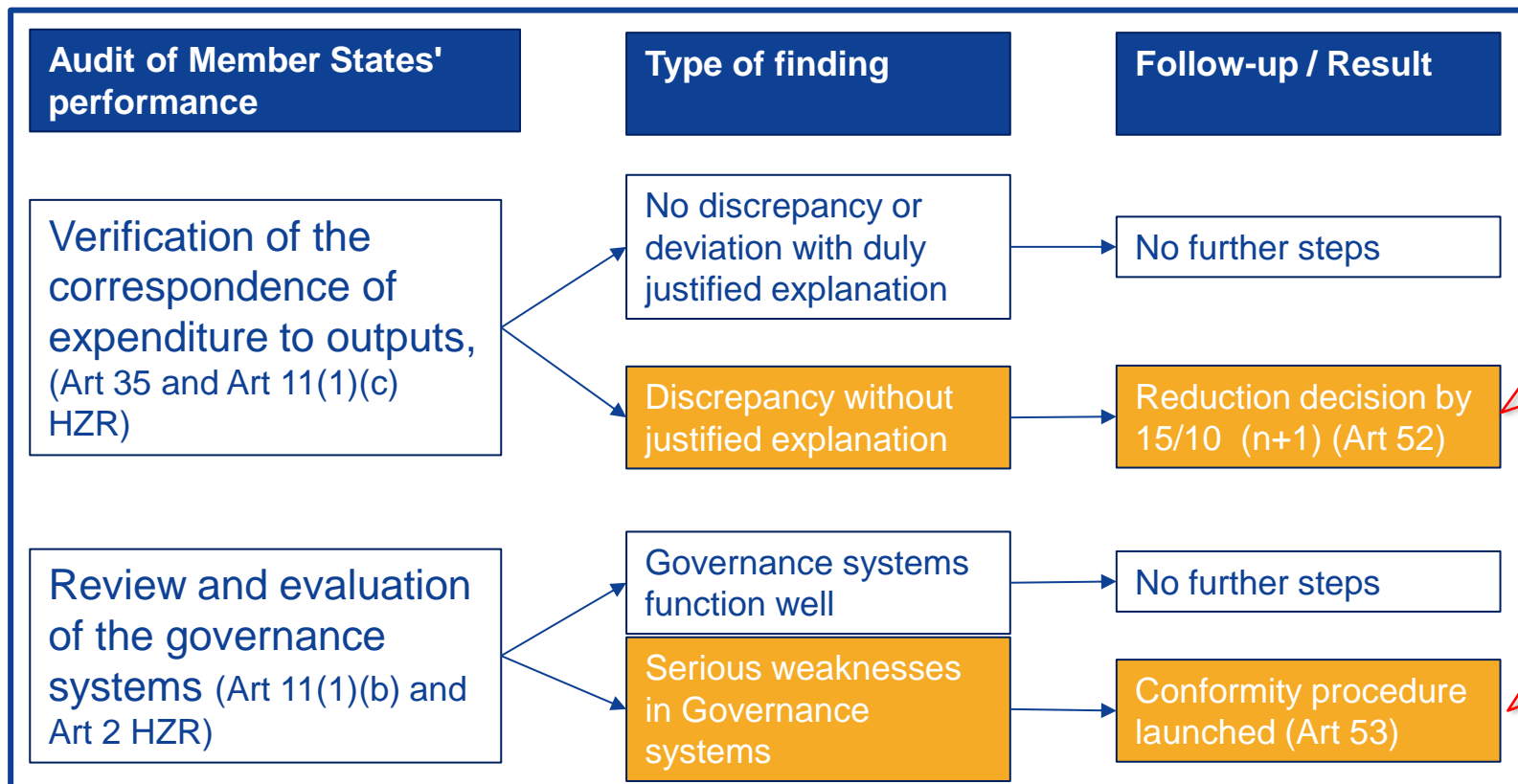
Annual performance review (art 121(8)&(9) SPR and 39 HZR) **RESULTS**

- Possible action plans in cases of deviations >25%

Overview of possible corrective measures



Annual Performance clearance



Also a possible suspension if discrepancy higher than 50% (Art. 38(2) HZR)

Also a possible suspension if there are serious deficiencies in governance systems (Art. 40 HZR)

Justifications for deviations

Deviations in unit amount (realised output/expenditure)

Annual Performance
Clearance

- Variation of the unit amount (for IACS interventions) – Art 89 SPR
- Justifications provided in the Annual Performance Report and covered by the Management declaration Art 8(3)(c)
- Request to MS to "submit its comments and justify any differences" in the annual performance clearance – Art 52(3) HZR
- Justifications Delegated act on the "criteria for justifications from the concerned Member State and the methodology and criteria for applying reductions" – Art 52(4) HZR

Deviations from milestones

Annual Performance
Review

- Justifications provided in the Annual Performance Report
- For >25% deviation, possible Action Plans – 121(9) SPR
- Possibility of suspending payments only if an appropriate Action Plan is not established/implemented

Quantified elements needed per intervention in the Plan

- 1. Planned unit amount of support (e.g. support rate/premium/average unit cost...) and justification**
- 2. Planned outputs**
- 3. Resulting indicative financial allocation (Article 88)**

E.g. Why is that amount needed and sufficient to achieve the targets?

E.g. How many units are planned to receive support?

	2021	2022	2023	2024	2025	2026	2027
Planned unit amount(s)							
Annual planned outputs							
Annual indicative financial allocation							

Not a target/milestone in itself

The annual planning allows to adapt the unit amount or planned number of outputs for each year

Quantified elements needed per intervention in the Plan – EXAMPLE of an Area-based-payment

Compensation payment for ANC [non-mountain] of X, Y and Z zones
(under Natural or other area-specific constraints)

	2021	2022	2023	2024	2025	2026	2027
Planned unit amount(s) (Eur/ha)	200	200	200	200	200	200	200
Annual planned outputs (No of ha)	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Annual indicative financial allocation	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000

Maximum variation of unit amount: 10% (i.e. EUR 220 per hectare)

Reporting on outputs and expenditure – EXAMPLE

Compensation payment for ANC [non-mountain] of X, Y and Z zones
(under Natural or other area-specific constraints)

	Scenario A	Scenario B	Scenario C	Scenario D
	Report 2023 (FY 2022 – CY 2021)	Report 2023 (FY 2022 – CY 2021)	Report 2023 (FY 2022 – CY 2021)	Report 2023 (FY 2022 – CY 2021)
Realised outputs <small>(ha)</small>	35 000	31 818	31 818	31 818
Declared expenditure <small>(Eur)</small>	7 000 000	7 000 000	7 954 500	10 563 576
Ratio Expenditure / outputs	200	220	250	332

Reduction
based on
Art. 52 HZR
as higher
than
planned
maximum

Reduction based
on Art. 52 HZR as
higher than
planned maximum
+ Possible
suspension based
on Art. 38(2) as >
50% deviation
from planned unit
amount

In the performance clearance,
this ratio will be compared to the
planned unit amount approved in
the CAP Plan (EUR 200-220)

Planned and realised outputs do
not play a role in the performance
clearance

Performance Review

Linking interventions to result indicators: an example

R.12 (Adaptation to Climate Change): share of agricultural land under commitments to improve climate adaptation

Interventions included in a given CAP Plan and contributing to the planned target level of R12:

- Climate related eco-scheme(s) (CES)
- Specific climate-related management commitments (CMC)
- Organic farming (OF)

X, Y and W hectares (ha) are covered by CES, CMC and OF in year N, respectively

The diagram shows a box containing the formula for R.12 in %. The numerator is $X + Y + W$, which is circled in blue. The denominator is "Total number of ha of agricultural land". To the right of the fraction is "= R.12 in %". A blue callout bubble points to the circled numerator with the text "No double counting of the same ha under the same indicator!".

$$\frac{X + Y + W}{\text{Total number of ha of agricultural land}} = \text{R.12 in \%}$$

Linking interventions to result indicators: an example

R.9: Farm Modernisation: % of farmers receiving investments to restructure and modernise, including to improve resource efficiency

Relevant interventions included in a given CAP Plan:

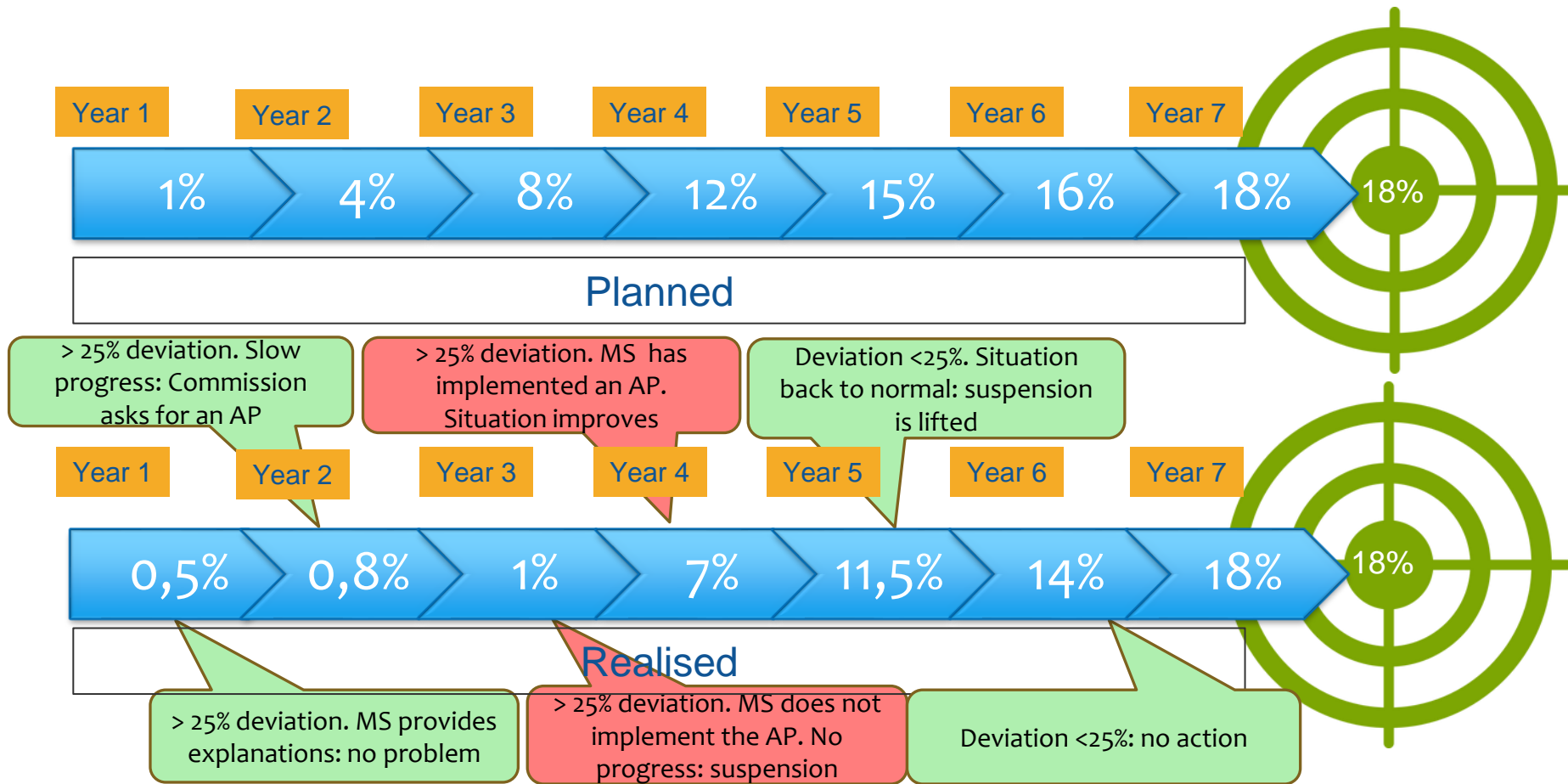
- Investments to increase competitiveness
- Investments to increase efficiency in direct processing
- Investments to improve water efficiency

X, Y and W farmers have benefitted in year N from support under each of the above interventions, respectively

No double counting of the same farmer under the same indicator!

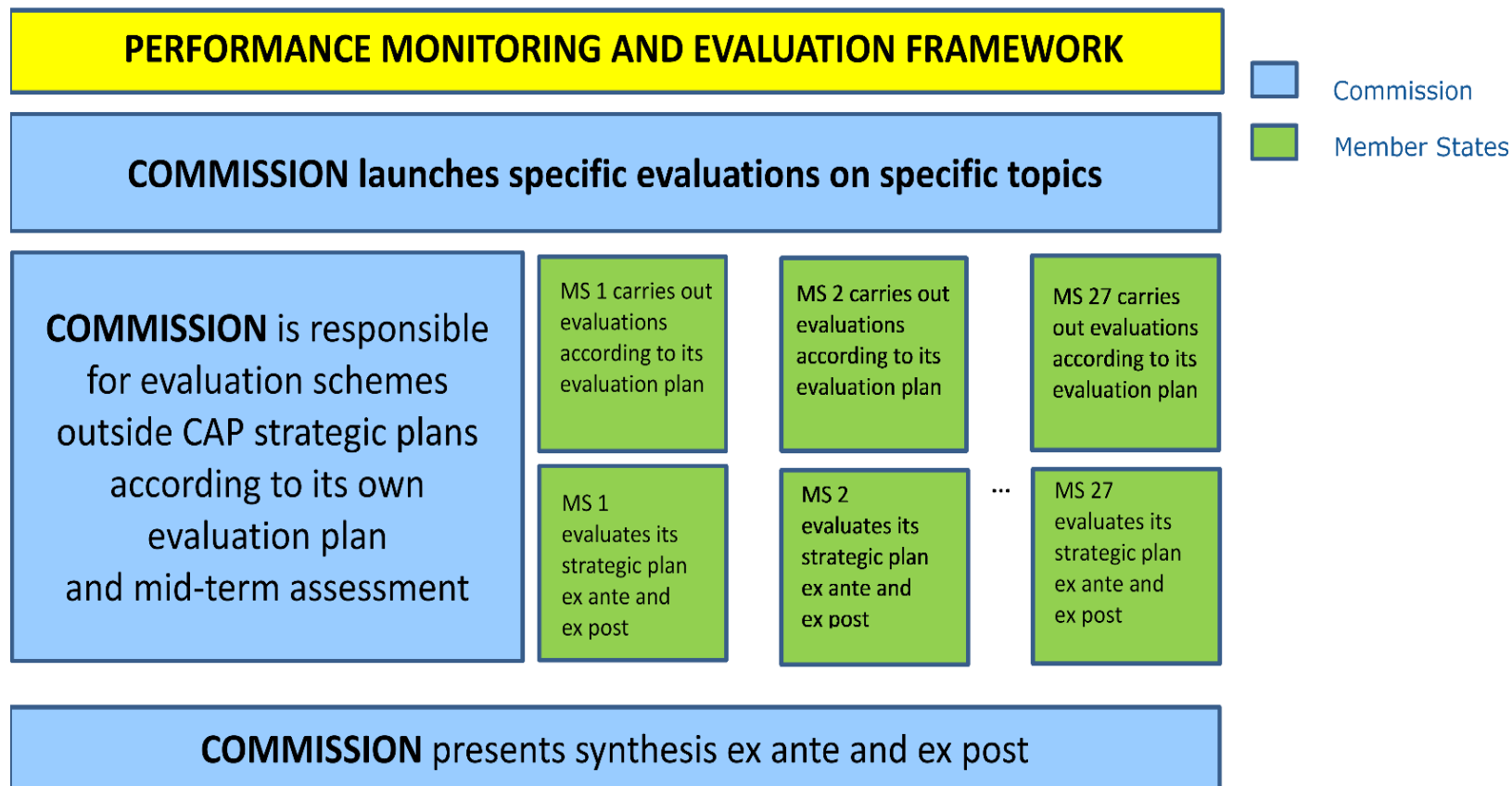
$$\frac{X + Y + W}{\text{Total number of farmers in the MS}} = \text{R.9 (\% in year N)}$$

Reporting on progress towards targets



EVALUATIONS: key instrument to assess the impacts

Who does what?





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