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# **CAP post 2020**

## **Spain's view on the Strategic Plan**

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# BUDGET / ADDED VALUE / NEEDS



- **Budget:** we strongly support to keep the budget for the CAP at the current EU – 27 level as Agriculture has

EU **added value:** is an activity with a promising future, in ongoing evolution to face new social demands on climate, environment, health, animal welfare and, in general, the way in which society expect the food should be produced

The **need of:** improving profitability in certain cases and products, increasing opportunities for women in rural areas, facing obstacles for young people to settle up as farmers, fostering innovation transfer, filling the digital gap between rural and urban areas...

# POLITICAL PRIORITIES



- **Political priorities** that we would like to see in the CAP and that we will see in the Spanish strategic plan:
  - Removing barriers to promote generational renewal and the settling up of young farmers.
  - Introducing the gender approach in the CAP in order to improve the role of women in farming and rural areas.
  - Foster innovation in farming and agrifood businesses.
  - Reducing the digital gap between rural and urban areas.
  - Promoting the transition towards a more sustainable food system regarding climate change, environment, biodiversity and landscape.



## ❖ Simplification

Will contribute to a BETTER IMPLEMENTATION OF THE CAP

Effort made for simplification is POSITIVE...but...there areas in which WE COULD ACHIEVE GREATER SIMPLIFICATION e.g.:

- Approval of the SP should involve the APPROVAL OF ALL THE AIDS INCLUDED (state aid, WTO commitments)
- For certain CAP beneficiaries (such as small farmers), possible EXEMPTIONS TO CONTROLS AND CONDITIONALITY REQUIREMENTS SHOULD BE ESTABLISHED
- The REDUCTION OF SPECIFIC OBJECTIVES; THE ESTABLISHMENT OF A SINGLE EVALUATION PLAN to be carried out by the MS and the Commission; ELIMINATE MILESTONES and evaluate only the progress towards the targets, etc. could lead also to simplification...



## ❖ Subsidiarity

Will contribute to a BETTER IMPLEMENTATION OF THE CAP...but...AVOIDING A RENATIONALISATION of the CAP AND A BREACH OF THE PRINCIPLE OF MARKET UNITY within the EU

Aligned with the great agrarian diversity of the Union it would also be positive that:

- THE MS CAN DECIDE, within the limit, the AMOUNT ALLOCATED TO COUPLED PAYMENTS AND SECTORAL PROGRAMS AND THAT ALL SECTORS have the opportunity to BENEFIT from this type of intervention
- THE NUMBER OF DELEGATED ACTS SHOULD BE REDUCED. Responsibility for the implementation of the CAP, both from the MS and the Commission, should be clear and stable from the basic acts, avoiding fluctuations (LEGAL CERTAINTY)
- The proposal establishes the necessary FLEXIBILITY FOR THE REGIONAL ELEMENTS to adapt to the territorial organization and the distribution of competences within MS...



## ❖ Approval of the Strategic Plan

- The **approval procedure** of the Strategic Plan **should not lead to interruptions or delays of payments** to farmers
- The procedure **must be transparent**
- The **implementing calendar should be realistic**, taking into account the internal national procedures. First application year before 2021 quite difficult



## ❖ Governance

- **The new CAP Plan is going to be a challenge for a decentralised country** as Spain is. Current rural development programs should be integrated in a coherent way in the single CAP Plan, taking into account the legal role that the regions play in Spain in defining second pillar interventions
- **Management authorities at regional level should be introduced** in order to articulate the role of the regions



## Direct Payments

- The new definition of “**genuine farmer**” will allow MS to better target direct payments to farmers more dependent on farming activity
- **Capping:**
  - must not be applied to Eco–Scheme, Redistributive Payment and support for young farmers
  - the Member State should be able to limit the number of intermediate tranches in order to simplify and to take into account associative entities



## Decoupled Payments

- **Decoupled direct payments** are still necessary to provide stability to the income of farmers; many productions depend on DP to breakeven (e.g. raw tobacco)
- There will be an **intense debate about**:
  - The pros and cons of keeping or removing **payment entitlements** and over all about using historical references to allocate those entitlements
  - And the type of **regional model** to differentiate the value of payment entitlements
- Behind this debate lays the debate about “**internal convergence**” among regions



## Coupled Payments

- The current **share of coupled direct payments in Spain is 12%**
- **Coupled payments** are mostly devoted to extensive farming, particularly suckler cows, sheep and goats whose activity is deeply linked to the management of pasture land
- Increasing notably (we only claim for increasing the 10% proposed to 13%) the **share of coupled payments** does not appear as a priority for Spain in the coming negotiations
- **Tobacco** not in the list → Red line in negotiations
- **Decoupled** payments should be the rule in an market oriented CAP



Environmental interventions continue to be an opportunity and a necessity for raw tobacco crop

## Environmental Architecture of the CAP

- ❖ We consider the **greater environmental ambition very positive**
- ❖ The proposed **Enhanced Conditionality** must be a natural evolution of the current Cross Compliance & Green Payment
- ❖ It is necessary to find the way to **introduce incentives** in the new environmental architecture, so as those who want to go beyond in environmental & climate farming practises can receive more support
- ❖ **Farm sustainability tool for nutrients** is a good step but should be introduced firstable on a voluntary basis. Only in the long term could be introduced within the baseline
- ❖ There will be necessary to find the **balance between the eco-scheme** measures (I pillar) **and the agro-environmental measures** (II pillar) and allow enough space for action in the II pillar. At this respect, the minimum percentage of expenditure for the second (30 %) may create difficult constrains



## Sectoral Interventions

- We propose **sectoral interventions to be open to all sectors** detailed in Annex I of the TFEU (including tobacco) and to cotton
- If the essential purpose of the proposal is to promote subsidiarity of the Member States, **minority sectors** represent the best example of subsidiarity. They have not to remain aside from support mechanisms and market management tools
- This is particularly important for a sector such as **tobacco** that must face challenges of environmental sustainability, traceability of production ... and that can take advantage of its established associative structure
- We also proposed that sectoral plans for other sectors can follow, at the election of the MS, either an **operational program or a support program**



**The CAP post 2020 reform will be the “CAP Plan reform”:** ingredients (interventions or measures) are essentially the same but the result oriented approach will change everything

Concerns about the **approval process of CAP plans**. Commission’s discretion will be higher than now to approve the way measures can be implemented (role of different DGs)

**Level playing field.** MS will have a wide degree of freedom to choose the interventions & financial allocations among them. That will lead to a wide array of implementing models and sooner or later that will represent a real challenge for the future of CAP after 2027

**Environmental authorities** (national and EU level) are going to have an stronger say on strategic plans

**Innovation & transfer of knowledge** will be essential to make possible the transition of our food production model maintaining the profitability of farming



Thank you for your attention!

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