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NOTE

From:	Special Committee on Agriculture
To:	Council
Subject:	Stocktaking of the second year of implementation of the CAP strategic plans
	- Information from the Presidency
	- Exchange of views

With a view to the "Agriculture and Fisheries" Council on 23 September 2024, delegations will find in the Annex a Presidency note on the above-mentioned subject.

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Stocktaking of the second year of implementation of the CAP Strategic Plans

The current Common Agricultural Policy (CAP) and the Strategic Plans have been implemented since 1 January 2023. The CAP Strategic Plan became a central, single planning tool to design and plan the delivery of supports for farmers and rural areas and the intervention logic for the nine specific objectives and one cross-cutting objective. The Strategic Plans are the key tools for delivering the CAP between 2023 and 2027.

As the CAP programming period entered its second year, Member States have gathered knowledge and valuable, practical experience about the implementation of the CAP Strategic Plans.

Under the Spanish Presidency, during the AGRIFISH Council held on 10-11 December 2023, ministers exchanged views on the first year of implementation of the CAP Strategic Plans. Since the end of last year, significant milestones of the new programming period were passed.

- Controls have been carried out and the majority of direct payments, area- and animal-based rural development allocations have reached the final beneficiaries.
- Certification bodies began to play their enhanced role in assuring the appropriateness of CAP expenditures and governance systems.
- Member States gained experiences by submitting and negotiating the first Annual Performance Report.
- After the phasing-in period in 2023, the Area Monitoring System became fully functional, covering all area-based interventions with a view to assisting farmers in correcting their claims, while also helping Paying Agencies in their control activities.

In addition, during the first half of 2024, widespread farmers' protests in the EU resulted in the amendment of certain basic rules of the reformed CAP. The amended rules contribute to ease the administrative burden for both farmers and the administrative bodies responsible for controls. In cooperation with Member States, the European Commission took on board further simplifying elements, e.g. streamlining the procedure of modification of the CAP Strategic Plans.

The Hungarian Presidency organized the <u>meeting of CAP directors</u> between the 10th and 12th of September in Budapest and Kecskemét. The main theme of the meeting was simplification of the CAP and the implementation of CAP Strategic Plans, with special focus on the monitoring and evaluation system. During the informal meeting, Member States' representatives highlighted the challenges and experiences gained during the first two years implementation of the CAP Strategic Plans. Participants stressed among others the need to speed up and make more flexible the modification of the Strategic Plans; to lift the zero tolerance of deviation from the target values set in the plans and to reduce the reporting and explanation obligations.

The Presidency's intention is to organize a discussion which helps to identify those elements that need to be adjusted or modified in order to improve the performance of the CSPs. The Presidency believes that an exchange of views can provide beneficial input and insights for Member States and the European Commission. The outcome of this discussion will feed into the Council conclusions on the farmer-focused post 2027 Common Agricultural Policy.

In light of the above, the Hungarian Presidency proposes an exchange of views on the major challenges of the second year implementation of the CAP Strategic Plans with the view to identify possible improvements of the rules for the post 2027 period based on the following questions:

1. Which elements of the New Delivery Model were the most challenging for national authorities to implement in the second year of the programming period, including the use of new technologies in the control system? How did the new model influence the timing of payments to final beneficiaries?

2. In light of the experience gained during the first two years of implementation, which elements of the current framework need to be modified to address the implementation challenges?