



Council of the
European Union

**Brussels, 23 November 2023
(OR. en)**

15864/23

**AGRI 727
AGRILEG 302
AGRIFIN 142
AGRISTR 65
AGRIORG 137**

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	23 November 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

No. Cion doc.:	COM(2023) 707 final
Subject:	REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Summary of CAP Strategic Plans for 2023-2027: joint effort and collective ambition

Delegations will find attached document COM(2023) 707 final.

Encl.: COM(2023) 707 final



Brussels, 23.11.2023
COM(2023) 707 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

Summary of CAP Strategic Plans for 2023-2027: joint effort and collective ambition

1. INTRODUCTION

Common agricultural policy (CAP) Strategic Plans (CSPs or the Plans) are the key tool for delivering the CAP between 2023 and 2027. Drafted by Member States and approved by the Commission to ensure that overall EU objectives are met, the CSPs support farming and rural areas with a total of **EUR 307 billion in public expenditure** through the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) (including national co-financing).

By introducing CSPs, which are a **single planning tool**, the EU legislators shifted the orientation of CAP implementation from compliance to **performance**. Accordingly, Member States used the **CAP instruments of both funds** (direct payments, interventions for certain market sectors and rural development support) to design an intervention logic for each of the **10 specific objectives** set out in the CSP Regulation ⁽¹⁾, based on analyses of strengths, weaknesses, opportunities and threats (SWOT) on their respective territories, and their related needs. After a structured dialogue ⁽²⁾, the Commission assessed the submitted Plans and sent its observations to each Member State before approving revised draft Plans by the end of 2022 ⁽³⁾.

The CAP legislation established **safeguards** that frame Member States' scope of action in order to uphold a **level playing field** and ensure **collective ambition**. This is done through: (i) common definitions and types of intervention; (ii) minimum requirements; (iii) common performance frameworks; (iv) minimum required spending levels in relation to: smaller and medium-sized farms; young farmers; the environment, climate and animal welfare; and the LEADER tool for integrated local development; (v) integrating environmental and climate legislation into the planning and design of the CSPs. Compared to the previous CAP period, a greater overall contribution to achieving environment- and climate-related objectives through the CAP was required. Each CSP sets targets for the expected results using the common EU indicators, encompassing support from both the EAGF and the EAFRD. However, the target values as well as the specification of interventions and requirements differ across the CSPs, reflecting Member States' diversity of needs and preferences.

By addressing their specific needs, CSPs are expected to be consistent with and contribute to the Union's **environmental and climate legislation and commitments** and, in particular, to the **Union targets for 2030** set out in **the Farm to Fork Strategy** and **the EU Biodiversity Strategy** ⁽⁴⁾, together with other EU and national instruments. Mandatory rules, including the earmarking for climate, environment and animal welfare under each CSP of at least 25% of direct payments for eco-schemes and at least 35% of EAFRD spending, play a role in ensuring this contribution. At the same time, actions under the CAP are expected to contribute 40% of the CAP EU funds to the achievement of the climate-related objectives, to be calculated according to the established methodology ⁽⁵⁾.

⁽¹⁾ See CAP Strategic Plans (CSP) Regulation ([Regulation \(EU\) 2021/2115](#)).

⁽²⁾ In that phase, the Commission issued recommendations to each Member State, see [COM\(2020\) 846 final](#).

⁽³⁾ [CAP Strategic Plans \(europa.eu\)](#)

⁽⁴⁾ [COM\(2020\) 381 final](#) and [COM\(2020\) 380 final](#), respectively.

⁽⁵⁾ Article 100 of the CSP Regulation.

This report responds to the EU legislators' call ⁽⁶⁾ for the Commission to draw up a **summary** of the 28 approved CSPs ⁽⁷⁾ to assess their **joint effort and collective ambition** in addressing the CAP specific objectives. It also addresses the CSPs' contribution to the Union's targets for 2030 set out in the Farm to Fork and the EU Biodiversity Strategies. It builds on the Commission's overview of the approved CSPs ⁽⁸⁾ and draws on a study that maps and analyses the Plans ⁽⁹⁾ in the form in which they were approved (by end 2022) **at the start of the implementation period**.

The report examines the **Plans' combined efforts** towards the CAP's objectives based on an analysis of the needs and intervention logic established by Member States. The analysis focuses on the Plans' priorities, financial allocation, targets, requirements, and voluntary practices.

This report is being published during the first year of implementation of the Plans - whereas data on uptake by farmers and other beneficiaries are due only in 2025. This report therefore relies on the values of indicators planned in the approved CSPs and on **qualitative appraisal** of the **potential effects** of the choices. The **actual impacts** will depend on the cumulative effects of interventions and can only be determined through **evaluations**. Those impacts will need to be seen in conjunction with the **impact of other EU and national instruments** that address the needs identified in the CSPs - as well as with other external factors.

Since it is based on the approved versions of the CSP (end 2022), this report does not capture some of the specific consequences that the disruptions derived from the **Russian war of aggression against Ukraine** are provoking in implementing the CSPs. This is the case with regard to the **temporary and exceptional derogations** in 2023 from the new requirements on crop rotation and on minimum share of arable land devoted to non-productive features and areas in relation to fallow land for food production ⁽¹⁰⁾. At the same time, in 2023, Member States started to propose **amendments** to their CSPs ⁽¹¹⁾. When assessing them, the Commission upheld that they should not lower the overall level of environmental contribution that allowed the Commission to approve the Plans in 2022, while accepting well targeted and justified adjustments.

This report is a step in the broader process of **assessing the performance of the CAP**, following the lessons of the 2014-2020 period outlined in the Commission's CAP Performance Report on that period ⁽¹²⁾. Additional information will come from: (i) implementation data at the level of CAP beneficiaries from 2025; (ii) assessment of the new delivery model in 2025; (iii) interim evaluations in 2026; (iv) annual performance reports; and (v) ex-post evaluation in 2031⁽¹³⁾.

⁽⁶⁾ Article 141(2) and recital 124 of the CSP Regulation.

⁽⁷⁾ Member States have one Strategic Plan each, except Belgium, which has two: one for Flanders and one for Wallonia.

⁽⁸⁾ See [Approved 28 CAP Strategic Plans \(2023-2027\), Summary overview for 27 Member States, Facts and figures](#), 2023.

⁽⁹⁾ (Ecorys et al., 2023) [Mapping and Analysis of CAP Strategic Plans, Assessment of joint efforts for 2023-2027](#).

⁽¹⁰⁾ See [Commission Implementing Regulation \(EU\) 2022/1317](#). All Member States but two applied the derogations. Of these, two Member States derogated only from crop rotation.

⁽¹¹⁾ In 2023, the Commission already received 18 proposals for amendments, from 15 Member States. By 4 October 2023, nine amendments have already been adopted by the Commission.

⁽¹²⁾ [COM\(2021\) 815 final](#)

⁽¹³⁾ Articles 134, 140 and 141 of the CSP Regulation.

2. SUMMARY OF THE CAP STRATEGIC PLANS AND THE JOINT EFFORT TOWARDS THE CAP OBJECTIVES

2.1. Supporting a smart, competitive, resilient and diversified agricultural sector to ensure long-term food security

Decoupled income support for farm viability remains an important instrument in both the design of the CSP Regulation and the CSPs. Despite the farm modernisation and consolidation that has occurred to date, **agricultural income remains substantially below the average wage** in the rest of the economy. Market earnings are the primary source of farm income but CAP support plays a significant role in many sectors and Member States, accounting for 23% of farm income on average in 2020.

In light of Article 39 of the Treaty on the Functioning of the European Union, financial support to guarantee farmers a fair standard of living remains a key element of the CAP. Based on predefined national budgetary allocations for 2023-2027, direct payments remain the CSPs' most important financial tool. Overall, the CSPs show **a significant joint effort to support farm income**, ensure a **fairer distribution** of such support to **smaller farms**, and reduce income disparities in the **most vulnerable sectors and disadvantaged areas**.

Support through direct payments is conditioned in all Plans by requirements for environmentally sustainable farming (enhanced conditionality⁽¹⁴⁾) that are more demanding than in the previous CAP period (2014-2022). This type of support is increased when directed towards vulnerable sectors, disadvantaged areas, and groups such as smaller and younger farmers. The income tools contribute to **food security** and to **maintaining agricultural activity in all geographical areas**, tackling long-term challenges such as maintaining jobs in remote rural areas, supporting sectors and farming practices that sustain livelihoods and landscapes, and slowing down land abandonment and rural depopulation.

Despite a drop in the financial allocations for income support for 2023-2027, the share of supported agricultural areas is expected to rise slightly compared with the previous CAP period (reaching 89% of EU farmland subject to conditionality).

In response to the increased ambition for fairness in the EU legislative framework, the **convergence of income support** levels within Member States that still use 'historical' payment levels **has been strengthened**. All but five Member States are due to reach the same level of basic income support for sustainability per hectare (the BISS flat rate) across their farms by 2027. At the same time, **the higher level of resources** allocated to the complementary redistributive income support for sustainability (CRISS) reinforces income support that **goes directly to smaller and medium-sized farms**. Additional direct payments per hectare for eligible farms below the average size are increasing in most Member States. The new obligation to redistribute income support has caused the total financial allocation dedicated to CRISS for redistributive purposes to increase significantly compared with the previous CAP period, so that it now represents 10.7% of direct payments with an additional EUR 20 billion for direct payments targeting smaller

⁽¹⁴⁾ Conditionality comprises the Statutory Management Requirements (SMRs) under EU legislation outside the CAP and the standards for Good Agricultural and Environmental Conditions of land (GAECs) under the CAP legislation.

farms. The redistributive effect that enhances fairness has been increased by some Member States, when relevant, by capping or reducing basic and other payments to bigger farms (11 CSPs).

There is a pattern across the EU to **supplement income support for farming in areas with natural and other constraints (ANC)**. By compensating higher costs of producing food and feed in areas affected by poor climate, soil or other conditions such as mountains or land in dry or cold territories, this support helps maintain agricultural activity in such areas and positively influences socio-economic factors. Farms located in ANC areas, specially in mountain areas, are on average less intensive, with more land-use beneficial to the environment and biodiversity (e.g. grassland, protein crops and fallow land) ⁽¹⁵⁾. In areas with higher prevalence of extensive and low-input farming systems, the support counters the risk of land abandonment and thus helps sustain certain environmental conditions.

By guaranteeing a minimum income level to CAP beneficiaries, **direct payments** also **help stabilise the sector's income**. Member States' choices show some reorientation towards more targeted tools for managing income volatility. All but one of the CSPs allocate less than 2% of their total CAP spending to risk management tools. Compared with the past, the share of holdings with supported **risk management** tools will increase. However, this covers **only 14% of all EU farms** concentrated in a small number of Member States.

The slow growth (in some cases stagnation) in agricultural productivity remains a challenge in many Member States and is exacerbated by high costs (especially for labour and land) in some sectors. The **CSPs prioritise productivity growth** and adoption of **innovative practices and technologies**. Almost 400 000 beneficiaries (4% of EU farms) are expected to benefit from support for productive (mainly on-farm) investment. All the CSPs envisage such support. This signals **an increased joint effort** to modernise farms, strengthen the sector's competitiveness and address environmental, climate and animal welfare challenges. Investment oriented towards climate adaptation and improving the environmental conditions that support productivity - such as soil health - are growing in importance and will require greater attention. Targeted support for investment, cooperation and knowledge to help farmers use and adopt digital tools and systems remains rather low.

Compared with the past, **support for financial instruments** (EUR 1 billion) has increased - facilitating access to investments, with a focus on small and young farmers as well as on cooperatives and producer organisations.

The CSPs reflect **distinct sectoral realities** and, in particular, the difficulties faced by some sectors in remaining viable in their regional context while also **meeting societal expectations**. CSPs provide **targeted income support** (coupled income support – CIS) to the beef and sheep sectors – which would otherwise make a loss - and to the veal and dairy sectors. A better income situation should help these farms **to invest and overcome their difficulties**. A positive contribution to biodiversity may be expected when support is preserving extensive farming, while the actual impact of CIS on climate will be

⁽¹⁵⁾ See [Payments in areas with natural constraints– Overview and socio-economic and environmental features of farming in ANC areas based on FADN data](#), July 2023, European Commission, DG Agriculture and Rural Development, Brussels.

determined through assessment after implementation. Protein crops, fruit and vegetables and certain other sectors also benefit from coupled support.

CIS will benefit **21% of EU farms** (a slightly higher share than in the last reported period), with a higher average annual financial allocation (6% more than in 2022). Over the reporting period, 7% of total CAP public spending is dedicated to this tool.

Despite the long-term trend of farmers receiving a decreasing share of the value added across the EU, **CSPs' use of tools to improve farmers' position in the food supply chain appears limited** – as evidenced by the limited allocation of resources and the use of cooperation and coordination tools. CAP support for participating in producer groups, producer organisations, local markets, short supply chains and quality schemes will reach around **760 000 farms (8% of all farms)**. However, for most Member States this represents an increase. Support for recognised fruit and vegetable producer organisations remains important. Support for “other sectors”⁽¹⁶⁾ through dedicated sectoral programmes, made possible for the first time in the reformed CAP, is limited.

Despite the financial efforts made to support specific sectors (especially through coupled support or sectoral interventions), the **CSPs do not systematically include sectoral strategies** across funds and instruments to address specific long-term sectoral challenges.

2.2. Contributing to climate action, to protection of natural resources and to halting and reversing biodiversity loss

Member States largely recognise the significant climate-, environment- and biodiversity-related challenges of agriculture and rural areas in their needs assessment. The combinations of obligations (enhanced conditionality) and voluntary interventions included in the CSPs aim to **boost the uptake of farming practices** with a potential to **reduce negative pressures** and to **benefit the climate, natural resources and biodiversity** in many ways:

- **Definitions** laid down in the CSPs (e.g. for agricultural activity, agricultural area, eligible hectare and permanent grassland) are an entry point for CAP support and set out certain minimum obligations. Compared to the past, there can be a better response to biodiversity and climate challenges as some Plans are benefiting from the legal framework to **allow more space for nature** (e.g. non-productive landscape features and areas) **or for certain beneficial activities** (paludiculture and agri-photovoltaics) in eligible areas, thus ensuring support for these areas and, where applicable, protection even though they are not primarily agricultural in character.
- **Higher standards** for farming practices as **a condition for receiving CAP support** (enhanced conditionality) will apply to **89% of EU farmland**⁽¹⁷⁾. For a number of farmers, this is a substantial change because conditionality is upgraded compared with the previous period's ‘greening’ practices supported then with 30% of direct payments.
- On a **voluntary basis**, some farmers will be rewarded for implementing **further and more ambitious practices** - beyond the requirements of the conditionality -

⁽¹⁶⁾ Sectors other than fruit and vegetables, apiculture, wine, hops, and olive oil and table olives.

⁽¹⁷⁾ Standards apply to different shares of land in function of their specific purpose.

that address key pressures on natural resources, the climate and biodiversity. These will be supported with 32% of the CSPs' public expenditure (EUR 97.6 billion) ⁽¹⁸⁾. (Multi-)annual support for improving farming practices through eco-schemes (EUR 44.7 billion) and agri-environment-climate and other management commitments (EUR 33.2 billion) is supplemented by various other tools. These include targeted investments (EUR 8.6 billion), and support for ANCAs (contributing EUR 9.4 billion) that, by limiting land abandonment, can indirectly contribute to preserving farmland biodiversity. Uptake of this support is voluntary, so the precise contributions will only be known after implementation.

The CSPs are an important but not the only tool to reach the EU Farm to Fork and Biodiversity Strategies' targets, which also depend on other EU and national instruments. Yet, they demonstrate a contribution to reaching the various targets. Except for organic farming, the CSPs generally do not quantify national aspirations or contributions to these targets, thus reflecting the absence of a legal obligation as well as, in some cases, methodological and technical difficulties in doing so.

The EU has reduced its **greenhouse gas emissions** from agriculture by more than 20% since 1990. Even if emissions have been more stable in the last 10 years, output efficiency (i.e. lower emissions per unit of output) has increased. To enhance the contribution of the EU farming sector to the EU climate objectives, multiple CSP actions were designed for both carbon sinks and emission sources.

In particular, CSPs show **significant efforts** on practices for **carbon sequestration and storage in soil and in biomass** through a mix of conditionality (with the protections for wetlands and peatlands, fully applicable to all Member States in 2025) and voluntary interventions in relation to: further soil improvements; conservation and management of permanent grasslands, wetlands and peatlands; and support for (agro-)forestry and landscape features.

Conditionality-induced improvements in tillage, soil cover and crop rotation have raised the threshold for the ambition of funded voluntary actions to **improve nutrient management**. Together with support for lower usage of mineral fertilisers targeting around 15% of the EU's agricultural land and investment in precision farming, it is helping to reduce N₂O emissions. Overall, **35% of the EU's farmland** should benefit from land-based voluntary actions for both **carbon sequestration and reduction of N₂O emissions**.

CSPs' support for **extensive livestock systems** helps to maintain not only carbon stocks but also traditional landscapes, while improving feed autonomy and economic activities on marginal land. Many CSPs recognise explicitly the **need to reduce livestock-related emissions** (notably methane from ruminants). In particular, CSPs include **support for investments** in: improving manure storage and management; equipment for low-emission slurry spreading; and anaerobic digesters. This will be supplemented by support for **genetic improvements**. Less than half of the CSPs include **other relevant support** (e.g. for outdoor grazing, improvement of feeding plans and feed additives) and set (widely differing) targets (**2.4% of EU livestock units**) to reduce methane or ammonia emissions. Maximum livestock densities feature in several land-based interventions, including also for coupled support in some environmental hotspots.

⁽¹⁸⁾ This includes animal welfare support.

The potential to increase **sustainable energy production** through the CSPs comes mainly from support for the use of agri-photovoltaics and investment in biomethane production. With a **relatively small (1 556 MW) contribution** over the period, the CSPs only complement measures outside the CAP.

The **combined effects** of the overall contribution of CSP tools to climate change mitigation are still **difficult to assess** at this stage and have to be seen **together with** those of **national tools and climate-planning instruments** in the context of the upgraded LULUCF ⁽¹⁹⁾ and Effort Sharing Regulations ⁽²⁰⁾. In this regard, in 2023 Member States are assessing the need to review their CSPs in light of the new LULUCF and Effort Sharing Regulations' targets ⁽²¹⁾, providing them an opportunity to assess the mitigation potential of their CSPs in light of the higher climate ambition.

The CSPs generally **acknowledge the need** to improve the farming sector's **climate resilience** and to better prepare for extreme weather events and water risks with the help of climate-adapted livestock and crops. The CSPs show **potential to address resilience** through their contribution to carbon sequestration, soil protection and diversified landscapes.

More specifically, with regard to **water scarcity and droughts** - which are an increasing problem in many regions in the EU - the **CSPs tend to focus on investment** in water storage and irrigation. **4.5% of EU farmland** is targeted for improving the water balance through **land-based practices**, and some Member States with greater needs in this area address them outside their CSPs. Approaches to adapt to the decrease of available water and ensure long-term resilience (through nature-based solutions, water retention in the landscape, less water-intensive crops, water reuse) **will have to be reinforced and better integrated** with long-term strategic planning on the adaptation and resilience of agriculture. **Actions outside the CAP** via plans on river basin management, drought and adaptation will also be important in this regard.

The Plans make a **substantial effort with regard to soil protection** (emphasising soil erosion and organic matter content) and, albeit to a lesser extent, **on nutrient management and water quality**. Compared with the past, overall, conditionality requires longer soil coverage, better tillage practices and crop rotation, and wider buffer strips along water courses. It also incorporates statutory management requirements regarding phosphate pollution. Most Member States have **increased**, often significantly, **the area targeted** by voluntary measures to improve soil quality (**47% of EU farmland**, up from 15% in 2021). Some of these measures directly or indirectly prevent nutrient losses and lead to better water quality. Most CSPs address **air quality**, focusing on **investments and nutrient application** approaches which reduce ammonia emissions - but with **limited land coverage** (6% EU farmland).

Contribution to Green Deal targets

CSPs show a **substantial contribution** towards the Farm to Fork Strategy **target to farm 25% of EU farmland organically by 2030**. By 2027, an estimated **10% of the EU's agricultural area** should receive **CSP support for organic farming** (up

⁽¹⁹⁾ Land Use, Land Use Change and Forestry; see consolidated text of the LULUCF Regulation ([Regulation \(EU\) 2018/841](#)).

⁽²⁰⁾ See consolidated text of the Effort Sharing Regulation ([Regulation \(EU\) 2018/842](#)).

⁽²¹⁾ Pursuant to Article 120 of the CSP Regulation.

from 5.6% in 2020). Support for investments and promotion, as well as training and advice for organic producers, also contribute. Complementary national initiatives (taken within the national organic action plans) on capacity-building, market development and public procurement will help achieve the EU target. At national level, ambitions announced in relation to this target range between 5% and 30% of farmland.

Contribution to Green Deal targets

The CSPs show **good potential to contribute** to the Farm to Fork Strategy **target of a reduced use and risk of chemical pesticides by 50% by 2030**. Mandatory **crop rotation** (required by enhanced conditionality) is helping the implementation of integrated pest management (IPM) across all EU arable land. **Other elements of conditionality** (for example, the ban on pesticide use along water courses, and the requirement to maintain fallow land and landscape features that help combat pests) contribute significantly. Reduction will be enhanced by targeted **voluntary schemes** (e.g. involving wider crop diversification and rotation, biological control, organic and precision farming) on **27% of the EU's farmland**. However, holistic IPM approaches could have been better reflected. Efforts are expected to be substantially complemented by actions at national level.

Enhanced conditionality rules concerning buffer strips along water courses and soil management, coupled with numerous voluntary interventions for nutrient management, **will contribute to** meeting the Farm to Fork Strategy **target to halve nutrient losses by 2030**. Restrictions on fertiliser use and support for improving soil health and fertility target **15% of the EU's farmland**. Fertiliser use restrictions will also often be supported in Natura 2000 areas. CSPs' support for increasing nutrient efficiency, including through manure management and precision technologies, is expected to optimise fertiliser use. However, a focus on such issues is lacking in some areas with high nutrient losses. The option of compensating measures to counter nutrient pollution as laid down under the Water Framework Directive ⁽²²⁾ is rather under-used.

Important challenges remain in terms of the status of biodiversity in farmland. This CAP has given increased attention to these challenges, as is reflected in the **enlarged space for nature** required under the **new GAEC 8** and by support for engaging farmers in voluntary **protection or restoration of biodiversity on 31% of EU farmland** (for example, through managing grassland extensively, and maintaining landscape features). Wider-ranging eco-schemes add to often more issue- or area- targeted agri-environment-climate commitments, with potential for gradual yet widespread changes in general farm practices.

Contribution to Green Deal targets

The CSPs **contribute to increasing the presence of high diversity landscape features** towards the Biodiversity Strategy **target of 10% of agricultural land by 2030**. The strengthened **obligation** to dedicate **at least 4% of arable land** to non-productive elements is a significant change for those Member States and farmers who relied on productive areas (nitrogen-fixing crops and catch crops) to comply

⁽²²⁾ See consolidated text of [Directive 2000/60/EC](#).

with ‘greening’ in 2015-2022. By itself (without counting additional, voluntary efforts) the rule could potentially make at least an additional million hectares available to nature. Some CSPs contribute further by supporting ecological networks of features or by investing in creating new landscape features (in addition to maintaining those that exist) - thus adding extra value (particularly when such support is linked with training and advice). However, overall, such efforts deserve more attention.

All CSPs demonstrate **some contribution towards the targets stemming from the EU Habitats and Birds Directives**. Areas of EU **grassland protected** against conversion and ploughing have **expanded by 9%**, and **voluntary measures** for improved management aim to cover **25% of Natura 2000 areas**. Targeted schemes in relation to species (e.g. measures to support coexistence with large carnivores) or habitat restoration will help to reach favourable conservation status. Payments compensating for restrictions in Natura 2000 areas (which increase recipients’ acceptance of the restrictions) will potentially reach more farmers though there is still scope to increase their use even further. However, opportunities to support the preservation of habitats and species and the support for actions identified in the prioritised action frameworks (PAFs) ⁽²³⁾ could have been better exploited.

Even if still under-developed in some of the CAP Plans, **cooperation between farmers on a landscape scale** has potential to maximise the effects of interventions. Greater benefits are expected from result-based payments included in some CSPs (mainly in relation to grasslands and meadows). Wild pollinator conservation features more strongly in CSPs than in the previous period.

The CSPs acknowledge the role of **multifunctional and sustainable forest management, but forestry support is not at their core**. Dedicated financial support is relatively low (EUR 4.2 billion) because Member States tend to address the forestry sector by other means (e.g. state aid and national forest funds), and some CSPs are not explicit on support.

2.3. Strengthening the socio-economic fabric of rural areas and animal welfare

A third of EU farm managers were aged over 65 in 2020 and their average age was 57. Member States recognise that this is a challenge for long-term food security and rural livelihoods, and are continuing to support generational renewal through a combination of tools, dedicated resources and prioritisation of support.

The Plans **support about 377 000 young farmers** in setting up in agricultural activity. This represents an increase in most Member States. While **almost all CSPs exceed the minimum required financing, the absolute monetary amounts** underpinning this ambition show rather **a continuation from previous period**. More tangible improvements can nevertheless be found in: the targeting of resources; better use of financial instruments; better design of individual instruments; and the use of instruments in combination, within a strategic approach, for a cumulative effect.

⁽²³⁾ Pursuant to Article 8 of the Habitats Directive (Council Directive 92/43/EEC) for the *Multiannual Financial Framework* period 2021 – 2027.

Setting-up grants and dedicated income support are two key tools complemented in many CSPs by **higher investment intensity rates**, although limited use is made of earmarked investment to help young farmers improve their competitiveness and of support for farm transfers. However, the **enhanced use of financial instruments** to complement grants does increase potential access to finance and opportunities to purchase land. Complementary support for young farmers varies across CSPs but is a significant addition to the basic income payments and consistently contributes to their farms' economic sustainability.

Some needs in this domain are only partially addressed in the Plans, with actions planned at national level. This **complementarity** will play a key role in helping young people to go into farming. Member States should optimise the interplay with national policies, given **the significant role of other policies in fostering generational renewal** and addressing needs in rural areas (e.g. in relation to health and education).

Agriculture's declining share of rural employment underscores the importance of creating opportunities in agriculture, forestry and other sectors, thus boosting entrepreneurship and inter-dependence between rural and urban areas. About a third of CSPs provide **set-up support to new farmers** to facilitate access for new entrants in general. In addition, CSPs devote resources to creating employment in other sectors, although their overall contribution to **job growth** is **rather limited**. Planned actions include investing not only in processing and marketing, and the creation of businesses related to agriculture and forestry, but also in tourism, the bio-economy and social services. **Other EU funds are needed to continue to complement CAP funding in this regard.**

The new **social conditionality** provides a safeguard for decent employment conditions and also contributes to social inclusion. CAP payments can be reduced if beneficiaries do not comply with certain rules on transparent and predictable working conditions and occupational health and safety. A few Member States are already applying this element of conditionality in 2023 and it will become mandatory for all in 2025.

Gender equality for the first time forms part of one of the specific CAP objectives. Several Plans show a commitment to making progress on this by including relevant conditions for support (thus targeting the support in question), and by incentivising the participation of women in farming and rural development activities.

Local development strategies (LDS) implemented through LEADER are a key (and usually the only) tool used in the CSPs to respond to the multiple needs of rural areas in fields such as employment, social inclusion, rural services, and rural economies' innovation and competitiveness. Support for 'smart villages' within and outside LEADER is expected to unlock the potential of digital, social and technological innovation in rural areas. A higher share of rural development funds has been dedicated to territorial strategies, but the absolute amounts assigned to LEADER have fallen while the overall ambition in terms of coverage of rural population has risen. LEADER is expected to do more with less. **Additional efforts are needed** that complement this tool.

Contribution to Green Deal targets

The key contributors for advancing to the **Farm to Fork Strategy target of 100% broadband connectivity in rural areas** are **other funds and programmes** with substantial financial resources, such as the Recovery and Resilience Facility and the European Regional Development Fund. Some CSPs also help (albeit to a limited

extent) in improving digital skills and small-scale infrastructure.

Some Plans have introduced or increased their efforts to address needs related to **the accessibility of rural areas, better basic services and infrastructure**, but the **level of ambition has fallen overall**. Only few actions are planned to help tackle rural mobility (exclusion) and the decarbonisation of rural transport. Continued support through other EU and national funds that operate in rural areas is also needed.

There is a new focus in the CAP on the sustainability challenges of food systems. The CSPs show **a greater ambition regarding animal welfare, planning support reaching 23% of EU livestock units** ⁽²⁴⁾ underpinned by at least EUR 6.3 billion (apart from investment support) – an increase on the past period that is quite substantial in some Member States. The Plans respond to the Commission's 2020 recommendations to improve animal welfare, with most of them taking action, at least to some extent, to prevent the tail-docking of pigs and to promote non-cage housing systems for laying hens. Most CSPs allocate resources to improving animal living spaces and housing conditions. They also support outdoor grazing practices in the dairy, beef and veal sectors. Some of these measures can also help reduce reliance on antimicrobials.

Contribution to Green Deal targets

The CSPs' **contribution to the Farm to Fork Strategy target of halving the use of antimicrobials is limited**. This is mostly tackled outside the Plans, in particular by EU legislation on veterinary medicinal products and medicated feed ⁽²⁵⁾. However, some Member States with high levels of antimicrobial sales for livestock set relatively higher targets in their CSPs to address this problem in diverse animal sectors, via voluntary practices and investment.

Some CSPs give attention to reducing **food waste**, at times combined with efforts at preserving the value of resources - through investments, sectoral programmes and cooperation. Some plans also identify needs related to consumers' awareness regarding sustainable, healthy, and balanced diets. However, these issues are mainly considered as to be tackled outside the Plans.

2.4. Fostering knowledge, innovation and digitalisation

The Plans recognise the role of a well-functioning **agricultural knowledge and innovation system (AKIS)** in modernising the sector, thus enabling an effective governance system that ensures links between research (including Horizon Europe) and practice.

Knowledge-sharing and innovation are expected to increase. Albeit to different degrees, all Plans support knowledge exchange and almost all include support for innovation projects that underpin all CAP specific objectives through the EIP-AGRI ⁽²⁶⁾, with the number of EIP-Operational Groups being expected to triple compared with past levels.

⁽²⁴⁾ Actual differentiation of the support according to specific species will be known upon implementation, as well as additional details on the practices supported.

⁽²⁵⁾ See (consolidated) texts of [Regulation \(EU\) 2019/6](#) and of [Regulation \(EU\) 2019/4](#), respectively.

⁽²⁶⁾ European innovation partnership for agricultural productivity and sustainability.

Much of the advice and training will target capacity, knowledge and innovation linked to environmental sustainability. However, **the planned financial allocation does not appear to match the broad range of needs** to be met to accelerate transformation.

Specific efforts are planned **to support more resource-efficient and knowledge-based agriculture** through precision farming, cooperation and the exchange of knowledge on digital issues. However, when compared with the challenges facing small and medium-sized farms, efforts from CSPs to **stimulate the use digital technologies remain rather limited**.

3. CONCLUSIONS

This assessment confirms the reformed CAP's important role in supporting EU agriculture in the transition to a sustainable farming model, while also supporting farmers' incomes as well as food security.

The new CAP strategic plans are an appropriate tool to pursue CAP policy objectives in an integrated way as Member States use them to prepare and deliver responses to the challenges across their territories, while prioritising objectives and using available resources in an effective and efficient way.

The Plans show **continued support for farm income, economic sustainability and resilience of the agricultural sector** throughout the EU. Conditional direct income support together with investments in modernisation constitute key elements for the viability of the farming and food security in the EU. Their effectiveness and targeting deserve continued attention.

The increasing occurrence of extreme weather events and global geopolitical uncertainties **calls for reinforcement of risk management tools and their increased uptake** across the Union through EU or national schemes, which should be accompanied by proactive measures to address underlying causes and to increase farm resilience in the medium term. At the same time, a stronger focus on farms' profitability, on innovation, technology and digitalisation as well as on training, advice and access to knowledge will be crucial.

The Plans show **potential to contribute to climate change mitigation**, in particular by enhancing carbon sequestration, **while climate adaptation challenges call for a more holistic and longer-term approach** that requires relevant management practices and investment.

The Plans **show progress on sustainable management of natural resources**, in particular on soil and reducing dependency on chemical inputs. Further efforts could be made on sustainable water use and emissions of air pollutants. The Plans **also have the potential to contribute to halting and reversing biodiversity loss**, improving ecosystem services and preserving habitats and landscapes. However, **the scale of biodiversity-related needs calls for greater coverage** of more promising schemes (particularly on the EU's more intensively farmed land) underpinned by adequate financial support.

More holistic approaches to specific sectors will be needed, encompassing their economic, social and environmental vulnerabilities and benefits: for example, to help livestock farming to continue reducing emissions while enhancing the positive influence

of extensive livestock systems on biodiversity, carbon sequestration, landscapes, cultural heritage and rural livelihoods.

Further work is needed to support the **quantification of the impacts** of CSP-supported practices and investments; the Commission is working to develop the relevant methodologies for estimating climate impacts of CSP measures.

With the new focus on **farm working conditions** and attention to **gender imbalances**, the Plans help promote social sustainability. The Plans also show **efforts to revitalise farming** - with a younger generation and other entrants from outside the farming sector. More attention is also being paid to animal welfare.

Greater expectations concerning responses to **the wide variety of socio-economic needs of rural areas entail heavy reliance on LEADER** and the development of **smart villages** to reduce development disparities. Complementarities with other EU and national funds and with legislation will be key to addressing such needs further ⁽²⁷⁾.

The outcome of the CSPs will largely depend on **the farming community's level of engagement**. Special attention is needed to ensure a high uptake of sustainable voluntary farming practices (i.e. eco-schemes and rural development interventions), particularly because ensuring adequate support levels is challenging in view of inflationary pressure and increasing opportunity costs. It is also essential to share **knowledge and innovation**.

Overall progress towards the CAP objectives and ultimately **towards the Green Deal targets also depends on rules and/or financial support outside the scope of the CSPs**, as well as on other external factors such as the evolution of markets and consumer preferences.

The Commission will continue to work with Member States to guarantee a smooth implementation of the CSPs, maintain the overall ambition of the Plans and find appropriate solutions to allow progress towards the objectives.

To fulfil CSPs' potential during implementation, Member States and the Commission should pay particular attention to: reinforcing skills, training and advisory capacity at all levels; fostering exchanges of good practices to better guide Member States and stakeholders; reducing the administrative burden of specific interventions; and monitoring implementation and results (as well as adjusting Plans where necessary).

⁽²⁷⁾ The Commission's 2024 report on the long-term vision for the EU's rural areas will include reflections on how to enhance support for rural areas.