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MEETING DOCUMENT

From: To:	General Secretariat of the Council Delegations
N° Cion doc.:	ST 11733 2025 ADD 1 + ST 11733 2025 ADD 1 COR 1 + ST 11733 2025 INIT
Subject:	Working Party on Horizontal Agricultural Questions (Post-2027 CAP) on 20-21 May 2026 - Presentation from the Commission on Blocks 7b and 7c (transferred articles)

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MFF post 2027
CAP regulation proposal
Block 7b and 7c (transferred articles)

Working Party on Horizontal Agricultural Questions

20-21 May 2026

European Commission

Articles transferred – block 7b and 7c

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The Presidency proposed to transfer the following Articles from NRP to CAP regulation:

New Block 7b:

- Article 37 NRP, new Article 20i: Monitoring of agricultural resources.
- Article 36(1) NRP, new Article 20j: Requirements concerning CAP interventions in the NRP Plans
- Article 57 NRP, new Article 20k: European and national CAP Networks
- Article 40 NRP, new Article 20l: WTO domestic support
- Article 41 NRP, new Article 20m: Implementation of the Memorandum of Understanding on oilseeds
- Article 84 NRP, new Article 21a: Rules applying to undertakings
- Article 85 NRP, new Article 21b: State aid

- New Block 7c:
  - Article 62(2)-(5)+(8) NRP, new Article 20n: Control and penalty system for farm stewardship
  - Article 70(4) to (10) NRP, new Article 20o: Integrated Administration and Control System (IACS)



Block 7b: Requirements, international commitments, competition provisions

Articles 20i, 20j, 20k, 20l + Annex IIa, 20m, 21a, 21b

Article 20i – Monitoring of agricultural resources

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Objective: allow continuity of essential Commission's action in supporting transparency, preparedness and resilience of agricultural markets while taking into account contribution to wider EU and international objectives

- The Fund may support Commission actions using **remote-sensing applications** to:
  - Manage Union agricultural markets in a global context
  - Monitor agri-economic, agri-environmental and climate aspects of agricultural land use and land use change
  - Share estimates internationally, including with UN organisations, to support Sustainable Development Goals, greenhouse gas inventories (UNFCC), etc.
  - Increase transparency of world markets, aligning with Union objectives and commitments
  - Ensure technological follow-up of agri-meteorological systems
- Link with Article 12(2) of the NRP Regulation – it will be covered by the technical assistance budget of the Commission.

Article 20j – Requirements concerning CAP interventions in the NRP Plans

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Objectives: To specify additional information on CAP interventions that MS must provide in their Plans to allow for a proper assessment of the NRP Plan

- Specific elements to be provided in the NRP Plans for CAP interventions:
  - **Type of intervention** on which is based**, territorial scope** (national, regional, outermost region..) and **type of area** targeted (mountain, nitrate vulnerable zone…)
  - Where applicable: **sectors** or **group of farmers** (or other beneficiaries) targeted, and environment and climate **priority area** targeted (Art. 4 CAP Reg)
  - WTO-related requirements (Annex 2 of WTO agreement → Art. 20l CAP Reg. + Annex IIa)
  - Description of the design of the intervention, incl. eligibility conditions and for agri-environmental and climate actions (Art. 10 CAP Reg.)
  - Description of relevant farming practices covered by the intervention following JRC classification (Art. 3(5) CAP Reg.)
  - For **interventions in certain sectors** (CMO): justification for targeting the selected sectors and complementarity with other CAP interventions and other measures of the Plan (where relevant)

Article 20k – European and National CAP Network

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Objective: further strengthening networking for more efficient implementation of CAP

RULES OF ESTABLISHMENT AND FUNCTIONING

- **12 months after the approval of the Plan**
- **Members:** administrations, organisations, advisors, researchers and other innovation actors, and other actors in the field of agriculture and rural development
- **Building on the existing networking experience and practices**
- **Objectives:** involve stakeholders, support administration in implementation, improve quality, foster innovation, enhance monitoring and evaluation, disseminate information
- Collaboration with the **European CAP network**

FUNCTIONS

- **Collect, analyse, and disseminate information** on good practices concerning the CAP as well as analysis on developments in agriculture and rural areas
- **Build capacity for Member States' administrations** and other actors involved in the implementation, monitoring and evaluation of the NRP Plans concerning the CAP
- **Facilitate exchanges, peer-to-peer learning, and networking**, including where relevant exchanges with networks in third countries
- Support the **networking of funded cooperation projects**, such as local action groups under Article 77 [LEADER], EIP-AGRI operational groups and promote links to other Union-funded strategies

Example of current activities of the EU CAP Network: design and implementation of CAP strategic plans, innovation and knowledge exchange, including EIP-AGRI, evaluation and monitoring of CAP
Stakeholders of the EU CAP Network: National CAP Networks; farmers, foresters and rural enterprises; evaluators, managing authorities and paying agencies, Local Action Groups, European organisations, agricultural and forest advisory services, research institutes, innovation support services.

Article 20l & Annex IIa – WTO domestic support

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- In their NRP plans, Member States must design the CAP income support interventions on the basis of the types of intervention listed in Annex IIa (the “WTO Annex”) to the CAP Regulation in such a way that they qualify under the criteria of Annex 2 to the WTO Agreement on Agriculture.

- Some of these interventions must comply with specific paragraphs of the Annex 2 to the WTO Agreement on Agriculture, as indicated in Annex IIa to the CAP Regulation for those interventions (degressive area-based income support; support for small farmers etc.).

- For other interventions, the paragraphs of the Annex 2 to the WTO Agreement on Agriculture indicated in Annex IIa to the CAP Regulation are only indicative, and those interventions may instead comply with a different paragraph of the mentioned Annex (Green Box), provided that this is specified and explained in the NRP Plan.

Article 20m – Implementation of the Memorandum of Understanding on oilseeds

- The Article outlines the rules on the implementation of the Memorandum of Understanding on oilseeds between the European Economic Community and the United States of America.

- The Memorandum of Understanding on Oilseeds was negotiated with the US during the GATT Uruguay Round negotiations in 1992. Furthermore, it paved the way for the Uruguay Round Agreement. While allowing European Community support for the production of certain oilseeds to continue, it established a number of restrictions on this support. In particular, it placed a limitation on the supported area.

- The EU rules remain unchanged, except for further simplification of the procedure.

  - Maximum (coupled) support area for soybean, rapeseed and sunflower applies at EU level (7,8 million ha). No restrictions, unless this EU level limit is exceeded.

  - The total support areas (1-1,3 million ha) have remained at only 13 - 17% of this limit under VCS (2015-2022) and CIS (2023-2027).

Article 21a and 21b – Rules applying to undertakings and state aids

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- If there is CAP support to forms of cooperation between undertakings, **Article 21a** foresees that this support can only be granted to forms of cooperation which comply with the competition rules in Regulation 1308/2013 (Articles 206 to 210a)

- **Article 21b** is in continuity with current CAP rules whereby **state aid rules do not apply to support provided by Member States** pursuant to that Regulation or to additional national financing, **when such support falls within the scope of Article 42 TFEU**.



Block 7c: Monitoring, controls and penalties

Articles 20h, 20o

Article 20n – Control system for farm stewardship

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- MS controls verifying **compliance with farm stewardship**
- **beneficiaries with up to 10 ha of area eligible for support** are exempted from controls and penalties
- **Single audit principle** – **aim for** only 1 on-the spot check of beneficiary per year, to the extent possible and taking into account the risk
- Mandatory use of **control and enforcement systems** for statutory management requirements (SMRs)
- Managing authority/paying agency notified once per year on non-compliance and enforceable decisions with an assessment and grading of the non-compliance (5 criteria)
- **No minimum control rate at EU level** decision will be left to MS.
- System of **administrative penalties established by the MS** under certain EU common rules

Article 20o – Integrated Administration and Control System (IACS)

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Applicable for	• At least interventions in Article 35 NRP/Article 5 CAP (1), (a) to (g) • Where appropriate, for farm stewardship and outermost regions (POSEI,SAI)
Elements + **European land monitoring system**	• an agriculture monitoring system (AMS), incl. Copernicus Sentinels satellite data • geo-spatial and animal-based application system (GSA) • Land parcel identification system (LPIS) • system for the identification and registration of animals • system for the identification of beneficiaries • ELMS: European Land Monitoring System based on IACS data and additional data provided by farmers (on a voluntary basis).
Procedures	• All the IACS elements are to be implemented by Member States • Annual Quality assessment of the integrated system: including remedial actions when needed • The Commission continues supplying Very High-Resolution imagery to carry out the IACS quality assessment and free Copernicus satellite data for AMS
Delegated and implementing acts	• DA: methodology for annual quality assessment • IA: on remedial actions and basic features of AMS, GSA, LPIS and the European land monitoring system



Thank you for your attention!