Where does the CAP money go?

Design and priorities of the draft CAP Strategic Plans 2023–2027

Stefan Becker, Regina Grajewski, Pia Rehburg

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Regina Grajewski
Stefan Becker
Pia Rehburg
Thünen Institute of Rural Studies

Johann Heinrich von Thünen Institute
Federal Research Institute for Rural Areas, Forestry and Fisheries
Bundesallee 50
38116 Braunschweig

Contact: Regina Grajewski
Phone: +49 531 596 5519
Fax: +49 531 596 5599
E-Mail: regina.grajewski@thuenen.de

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Summary

The Common Agricultural Policy (CAP) 2023–2027 is implemented through national strategic plans. This paper examines the strategic plans submitted for approval, analysing their financial priorities to identify commonalities, differences and overarching patterns of national CAP implementation. It aims to provide general orientation on the new funding period as well as starting points for further studies.

The paper shows that the member states use the discretion granted in the Strategic Plan Regulation in various ways. Despite common goals and funding guidelines, the plans show great heterogeneity. Regarding the general design, the plans differ quite vastly mainly in the reallocation of funds between the first and the second pillar or the level of contribution rates.

In the first pillar, the plans not only vary in their shares of decoupled and coupled direct payments as well as the newly introduced eco-schemes; they also differ considerably in how these interventions are designed. Overall, the funds planned for eco-schemes are slightly above the prescribed minimum, while some member states are close to the maximum share of coupled direct payments. Interventions in specific sectors also vary. Some offerings are highly differentiated; however, most funds will flow into the fruit and vegetable and wine sectors.

The second pillar is marked by overall continuity. Despite the eco-schemes in the first pillar, agri-environment-climate measures also remain important in the second pillar. Support for organic farming and animal welfare measures even increase slightly in relative terms. The same is true for risk management, where Italy and France make substantial use of CAP funds. Support for investments remains high, but becomes less important. More significant than the changes compared to the current funding period are national differences: The strategic plans attribute quite different importance to each of these interventions.

Despite the heterogeneity, the strategic plans heavily focus on the agricultural sector; services of general interest and business development in rural areas as well as the forestry sector are only secondary. The goals primarily pertain to income, competitiveness and the environment. This pattern is also evident, albeit in a weakened form, if only the second pillar is considered. Nevertheless, the overall diversity of strategic plans is further evidence of the subsidiarity in the Common Agricultural Policy.

Keywords: Common Agricultural Policy, CAP strategic plans, direct payments, eco-schemes, agri-environment-climate measures, rural development

JEL-Codes: Q18, Q15

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List of abbreviations

A	
AT	Austria
AECMs	Agri-environment-climate measures
B	
BE	Belgium
BG	Bulgaria
C	
CAP	Common Agricultural Policy
COM	European Commission
CY	Cyprus
D	
DE	Germany
DK	Denmark
E	
EAGF	European Agricultural Guarantee Fund
EAFRD	European Agricultural Fund for Rural Development
EE	Estonia
EIP	European Innovation Partnership (“Agricultural Productivity and Sustainability”)
EL	Greece
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EP	European Parliament
ERDF	European Regional Development Fund
ES	Spain
ESF+	European Social Fund+
EU	European Union
EUR	Euro(s)
F	
FI	Finland
FR	France
G	
GAEC	Good agricultural and ecological condition
H	
Ha	Hectare
HR	Croatia
HU	Hungary
I	
IACS	Integrated management and control system
IT	Italy
J	
JTF	Just Transition Fund

L	
LEADER	Liaison entre les actions de développement de l'économie rurale (Link between actions for the development of the rural economy)
LT	Lithuania
LU	Luxembourg
LV	Latvia
M	
MFF	Multiannual Financial Framework
MT	Malta
N	
NL	The Netherlands
P	
PL	Poland
PT	Portugal
R	
RO	Romania
S	
SE	Sweden
SI	Slovenia
SK	Slovakia
SME	Small and medium-sized enterprise
SPR	Strategic Plan Regulation (Regulation (EU) 2021/2115)
U	
UAA	Utilised agricultural area

1 Introduction

After prolonged negotiations and a two-year transition phase, the new funding period of the European Union's (EU) Common Agricultural Policy (CAP) is set to begin on January 1, 2023. At that point, the national CAP strategic plans, which are currently undergoing an approval process by the European Commission, shall come into effect.

The strategic plans are crucial elements of the new funding period. The relevant EU legislation specifies the common objectives and funding guidelines, but the Member States have considerable discretion over their implementation. It is in their strategic plans that the CAP 2023–2027 takes concrete shape.

Against this background, this Working Paper examines the design and the priorities of the national strategic plans submitted for approval (for sources, see Annex 1). It aims to identify commonalities, differences and overarching patterns of national CAP implementation. In providing a comparative overview of the two pillars, interventions, objectives and sectors, the Working Paper seeks to complement the summary of the European Commission's observation letters (2022a)[1] and to identify implementation phenomena worthy of further study.

For these purposes, Chapter 2 briefly introduces the formal novelties of the CAP 2023–2027, before Chapter 3 describes the data. The empirical analysis begins in Chapter 4 with the financial resources of the plans. Chapter 5 deals with the priorities in each of the two CAP pillars, while Chapter 6 sheds light on strategic approaches and target areas across pillars and interventions. Finally, Chapter 7 reflects on the results in the light of the ongoing CAP debates on subsidiarity, environmental ambitions and the role of rural development.

[1] In addition, the Commission's summary presentation so far has only included those 19 Member States which had submitted their plan to the Commission by the deadline of the end of 2021. The Working Paper takes all submitted plans into account.

2 Formal novelties of the Common Agricultural Policy 2023–2027

The CAP continues to be based on two pillars in the new funding period: direct payments and sectoral interventions under the first pillar, which are financed by the European Agricultural Guarantee Fund (EAGF), and diverse rural development measures under the second pillar, which are financed by the European Agricultural Fund for Rural Development (EAFRD).[2] However, there are important novelties beyond this general structure.

The CAP now features national strategic plans, in which the Member States have to describe how they intend to contribute to the common objectives. Strategic planning is not entirely new for the CAP. Strategic plans have had to be submitted for the second pillar for some time. However, in the new funding period, both CAP pillars must be included, and Member States, with the exception of Belgium, have to prepare a single plan. This leads to changes, especially in decentralised Member States, such as Germany, Spain and Italy, which have (partly) regionalised planning processes.[3] A single plan not only requires changes to plan preparation and implementation, but is also likely to lead to more abstract planning through the integration of highly heterogeneous planning processes.

Furthermore, the second pillar is no longer (a formal) part of EU structural policy. It is thus not included in the Partnership Agreement[4] , which still has to be drawn up for the Structural Funds. The extent to which the formal withdrawal from structural policy and the new joint strategic planning under the first pillar will affect national priorities under the second pillar is an open question – and one that will also be addressed in this Working Paper.

The portfolio of support measures – "interventions" in the language of the Strategic Plan Regulation (SPR) – has remained largely the same as that for the 2014–2022 funding period. A novel feature is the eco-schemes under the first pillar, which Member States have to offer (see Chapter 5). Under the second pillar, meanwhile, the measures have been moulded into more abstract forms; a great many detailed provisions have been dropped. Figure 1 shows the full spectrum of interventions under the SPR. Interventions that are mandatory (excluding exemptions) are highlighted.

[2] The basic EU regulations on this are the following: EP und Council (2021b, 2021c).

[3] In total, therefore, there are only 28 plans, compared to 114 programmes (of the current EU-27) in the 2014–2022 funding period. In addition, the previous planning documents for sectoral interventions are no longer required.

[4] The Partnership Contract covers the European Regional Development Fund (ERDF), the European Social Fund+ (ESF+), the Cohesion Fund, the *Just Transition Fund* (JTF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF). Articles 10 to 14 of Regulation (EU) 2021/1060 regulate the content and procedure of the Partnership Agreement (EP und Council (2021a)).

Figure 1: Intervention categories according to the SPR

Direct payments (EAGF)

- **Basic income support** (Art. 21)
- Payment for small farmers (Art. 28)
- **Redistributive income support** (Art. 29)
- Complementary income support for young farmers (Art. 30) (*)
- **Eco-schemes** (Art. 31)
- Coupled income support (Art. 32)

Sectoral interventions (EAGF)

- Types of intervention in certain sectors (Art. 47)
- **Types of intervention in the apiculture sector** (Art. 55)
- Types of intervention in the wine sector (Art. 58)
- Hops (Art. 61)
- Olive oil and table olives (Art. 64)
- Other sectors (Art. 67)

Rural development (EAFRD)

- **Environmental, climate-related** and other **management commitments** (Art. 70) (*)
- Natural or other area-specific constraints (Art. 71) (*)
- Area-specific disadvantages resulting from certain mandatory requirements (Art. 72) (*)
- Investments (Art. 73) (*)
- Investments in irrigation (Art. 74) (*)
- Setting-up of young farmers and new farmes and rural business start-up (Art. 75) (*)
- Risk management tools (Art. 76)
- Cooperation (Art. 77), including
  - **LEADER**
  - EIP
- Knowledge exchange and dissemination of information (Art. 78)

Note: As a rule, to offer interventions in bold is mandatory. Interventions with an asterisk are likely be offered in the CAP plans, as Articles 93 SPR stipulates that 35 % of EAFRD funds must be used for environment- and climate-related objectives. In this context, Article 70 interventions and Article 72 interventions count for 100 %, Article 71 interventions for 50 % and investments under Articles 73 and 74 for 100 % if they have been allocated to objectives d, e and f or I, i.e. objectives related to environment and animal welfare. Furthermore, Article 95 states that a fixed minimum amount must be spent on support for young farmers, either for complementary income support in the first pillar (Art. 30) or as support in the second pillar (Article 75 (2a)). Specific investment support can also be counted on a pro rata basis.

Source: Authors' representation, based on the SPR.

3 Data

The analysis is based on the draft CAP strategic plans submitted for approval by the European Commission (see Annex 1). In the case of Belgium, the plans of Wallonia and Flanders have been merged for most calculations. The published drafts mostly follow the structure of the SFC template[5] (COM, 2021b), which Member States are obliged to use when submitting their plans to the EU Commission.

Financial data was taken either from the general overview in Chapter 6 or from the intervention descriptions in Chapter 5 of the strategic plans. For France, Hungary, Poland, Sweden and Slovenia, some financial data was available in alternative formats. For the purpose of comparison with the current funding period, payment data from 2019 was used in the case of the first pillar (DG Agri, 2021). The comparisons made in the case of the second pillar are based on funding data provided by the European Commission (2022b). This data excludes the transitional years 2021 and 2022 that, due to the integration of the "Next Generation EU" funds (see following chapter), did not require co-financing and were subject to their own requirements and so operated under special circumstances. The specific categories used for comparisons between funding periods are noted at the relevant points.[6]

The analysis is based on EU funds and, where relevant, national co-financing. Additional national funding (so-called top-ups) is not considered, nor are the planned budgets for technical assistance.

Some information in the draft strategic plans is incomplete or obviously incorrect. Where possible, additions or corrections have been made. The calculated public funds have been checked for plausibility on the basis of the general financial tables (after adjustments) and most numbers have been found plausible. Although some discrepancies have been found in isolated cases, the extent of these does not call into question the suitability of the compiled figures for an initial analysis of the priorities of the submitted CAP strategic plans.

The analysis of strategic approaches and target areas is based on the authors' own conceptualisations, which are explained in the relevant parts of the Working Paper. To aid with classification of the interventions in the strategic plans, which were submitted in the various national languages, machine translations have been used.

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[5] SFC stands for the electronic *System for Fund Management in the European Union* (formerly *European Communities*).

[6] The measure "Exceptional temporary support to farmers and SMEs particularly affected by the COVID-19 crisis" (M21), introduced in the course of the COVID-19 pandemic, does not fit into the usual categories of the second pillar. In accordance with its main objective, it was assigned to the area of competitiveness. Its share of the EAFRD budget 2014–2020 is around 0.5 %.

4 Financial resources of the CAP strategic plans

The volume of each strategic plan is based on a series of European and national decisions. At European level, the Multiannual Financial Framework (MFF) laid down the CAP budget, while the SPR specified the allocations per Member State for both pillars and specific sectors. These allocations were then adapted at national level.

4.1 Background: Multiannual Financial Framework

The MFF 2021–2027 was adopted in December 2020 after protracted negotiations. The lateness of the agreement rendered the decision-making processes for the fund-specific regulations more difficult, as substantive issues partly depend on how much money is available. This is also true for the CAP. During the MFF negotiations, positions on the CAP budget diverged substantially (see Table 1). The final compromise provides for severe cuts in this policy area, compared with the MFF 2014–2020 (12 % in 2018 prices). The cuts hit the second pillar harder than the first pillar.

Table 1: Proposals and outcome of the MFF negotiations

	MFF 2014–2020*	COM-05/2018	EP 11/2018	European Council 02/2020	COM-05/2020	Final MFF	Change in final MFF to MFF 2014–2020
Total	1 082.2	1 134.6	1 324.1	1 094.8	1 100.0	1 074.3	-1 %
GAP	382.8	324.2	383.2	329.8	333.2	336.4	-12 %
1st pillar	286.1	254.2	286.5	256.7	258.2	258.6	-10 %
2st pillar	96.7	70.0	96.7	72.5	75.0	77.8	-19 %
CAP in % of MFF	35.4 %	28.5 %	28.9 %	30.1 %	30.3 %	31.3 %	-

Absolute figures in billions of EUR, in 2018 prices. *Refers to EU-27.

Source: Authors' own representation, based on Matthews, 2020and Nègre, 2022.

The MFF compromise reflects longer-term developments. New policy fields (for the EU), such as migration and security, are gaining in financial importance. As the total volume of the MFF is stagnating, the established policy fields are losing in importance. Nevertheless, the CAP – together with cohesion policy – still carries a lot of weight in the EU budget: almost a third (31.3 %) of the funds go to support agriculture and rural areas.

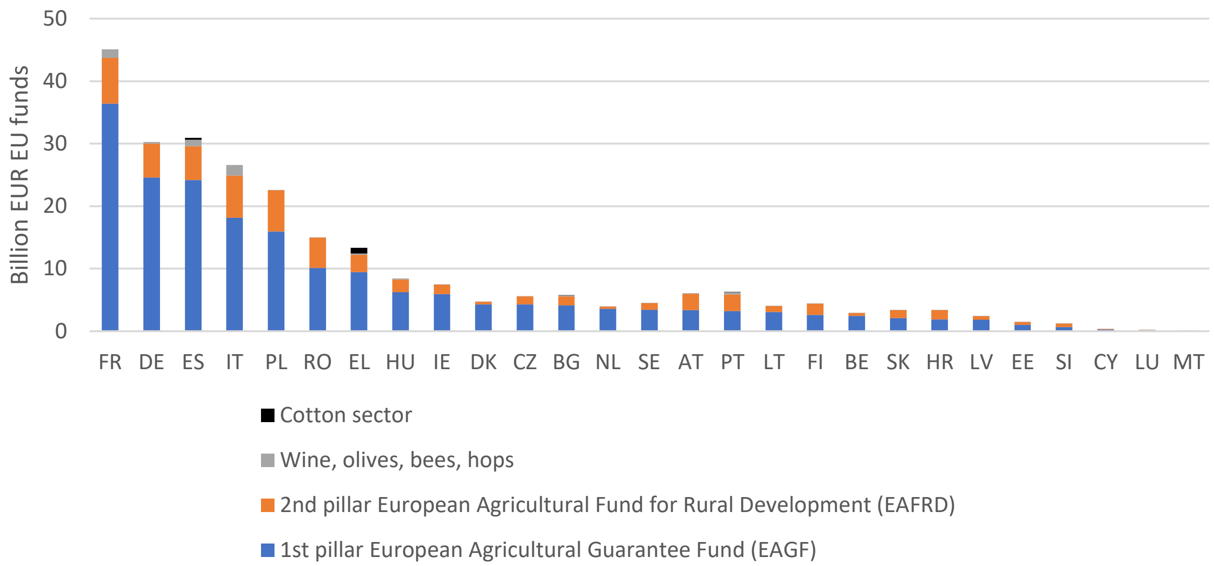
In parallel with the MFF agreement, a new instrument ("NextGeneration EU"), financed by issuing common debt, was established to deal with the economic consequences of the COVID-19 pandemic. This instrument comprises €672.5 billion, of which €7.5 billion will flow into EAFRD. However, these funds will still be used in their entirety in the current EAFRD programmes and therefore play no direct role in the CAP 2023–2027.

Furthermore, due to the delays in reaching agreement on CAP reform, the two annual tranches 2021 and 2022 of the EAFRD were integrated into the EAFRD programmes 2014–2022. The allocations specified in the SPR therefore only cover the period from 2023 on.

4.2 Financial allocations for each Member State

Under the SPR, a total of €260.5 billion[7] will be allocated to the CAP between 2023 and 2027, of which 77 % will go to the EAGF and 23 % to the EAFRD. The Member States benefit to different degrees from these funds (see Figure 2). In absolute terms, France, Germany and Spain receive the highest allocations from the EAGF. This fund also finances interventions in certain sectors, where Italy, Greece and France are the greatest beneficiaries. From the EAFRD, France, Italy and Poland receive the highest allocations. Overall, there is still a clear asymmetry in the relative share of the funds among the Member States: the "new" Member States (those which have joined since 2004) (EU-13) receive less than 26 % of EAGF allocations, but 36 % of EAFRD allocations. This is intended to reflect the particular challenges of the structural development of agricultural and rural areas (Massot und Negre, 2018), for which the EAFRD has (more) appropriate instruments. However, the EAFRD has to be co-financed by national funds and is therefore less attractive from a budgetary point of view.

Figure 2: Financial allocations by Member State



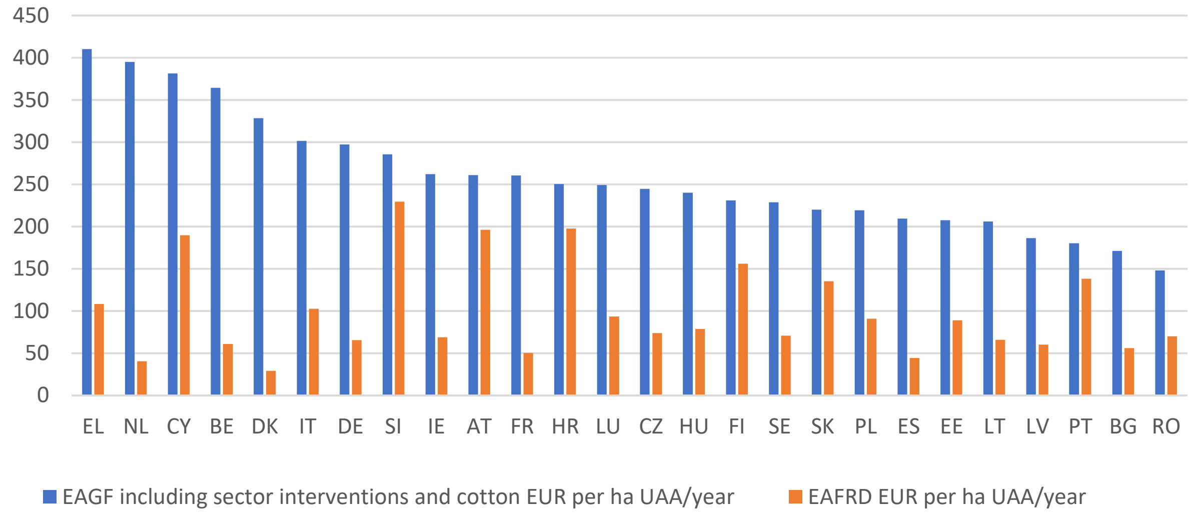
Note: For more detailed information, see Annex 2.

Source: Authors' own representation, based on the SPR (Reg (EU) 2021/2115).

If the financial allocations are expressed in terms of utilised agricultural area (UAA), significant differences are still evident, especially as regards the new Member States (see Figure 3). Compared with the situation for 2008, when average direct payments were €30 per hectare in Romania and about €400 per hectare in Belgium (Hebauer et al., 2011), there has been some convergence. However, the differences in EAGF still range from €147 per hectare UAA in Romania to €410 per hectare UAA in Greece. For EAFRD, the range extends from €29 per hectare UAA in Denmark to €230 per hectare UAA in Slovenia. Since the EAFRD also includes measures other than agriculture, UAA is a less meaningful reference value for the second pillar than for the first pillar.

[7] The allocated annual tranches in EAGF were multiplied by five to facilitate comparison with EAFRD.

Figure 3: Annual financial allocations by Member State per hectare of UAA



Note: For better readability, the annual values for Malta (EAGF €398 per hectare of UAA, EAFRD €1725 per hectare of UAA) are not shown.

Source: Authors' own representation, based on the submitted CAP strategic plans; COM (2019).

4.3 Adaptation at Member State level

The Member States have various options for adapting the allocations under the SPR to their implementation preferences. Of particular importance are options for transferring funds between the first and second pillars and setting co-financing rates. Capping and degression of direct payments may also be used to withhold and reallocate funds. Under the second pillar, financial instruments can serve to establish longer-term sources of funding for specific interventions.[8]

4.3.1 Transfers between the pillars

Article 103 SPR allows up to 25 % of allocated funds per pillar to be transferred to the other pillar without further justification. The reallocation of direct payment funds to the second pillar may be increased by 15 percentage points if these funds benefit the environmental objectives of the CAP. A further increase of two percentage points is possible for the purpose of supporting young farmers. Conversely, Member States whose direct payments per hectare are below 90 % of the EU average may reallocate up to 30 % of EAFRD funds to the first pillar. This criterion is met by Bulgaria, Estonia, Spain, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Finland and Sweden.

17 Member States avail of these options.[9] In eleven cases, funds are reallocated from the first to the second pillar, while, in six cases, funds flow in the opposite direction. Table 2 categorizes the strategic plans on the basis of transfer decision and lists the resulting changes in both pillars. In some cases, there are considerable differences compared with the originally allocated funds. While the Netherlands almost triples its budget under the

[8] In addition, there are possibilities to transfer direct payment funds to finance risk-management tools (see Chapter 5.3) and for interventions in sectors other than fruit and vegetables, beekeeping, wine, hops, and olive oil and table olives (see Chapter 5.2). Another possibility is the integration of national funds that are not used for co-financing (top-ups), which are not dealt with in the context of this Working Paper.

[9] According to the general financial tables, Bulgaria, Finland, Ireland, Lithuania, Austria, Sweden, Spain and Cyprus do not make any transfers. No information is available for Estonia and Slovenia.

second pillar, Poland reduces it by almost a third. Overall, the reallocation behaviour essentially mirrors the last funding period; notable newcomers in the respective camps are Italy and Portugal (see Hart, 2015).

Table 2: Transfers between the two CAP pillars

	Change in % of allocations for direct payments, excluding cotton (Annex IX)	Change in % of allocations for rural development intervention categories (Annex XI)
NL	-19.50	190.93
EN	-11.30	50.85
EL	-9.00	30.57
FR	-7.53	37.58
DK	-6.32	71.77
LV	-5.54	16.91
BE	-5.00	29.91
IT	-2.78	7.48
CZ	-2.50	8.25
RO	-2.00	4.13
SK	-1.05	1.66
LU	0.42	-1.11
HR	1.52	-1.91
HU	6.71	-20.00
PL	12.16	-29.00
PT	13.51	-15.72
MT	87.00	-20.00

Source: Authors' own representation, based on the submitted CAP strategic plans.

4.3.2 Co-financing rates

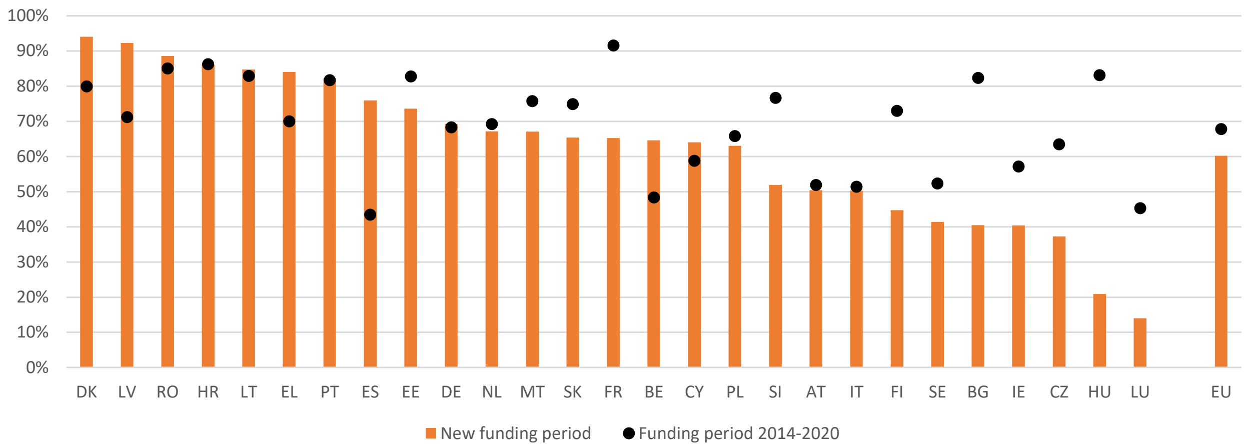
Another way in which the allocations may be adapted at national level is via the level of co-financing. In principle, expenditure under the second pillar, with the exception of funds transferred from the first pillar, must be co-financed with national funds. When doing so, the Member States have to move within a certain corridor. On one hand, the SPR (Article 91) defines a minimum EAFRD contribution rate of 20 % of eligible expenditure. On the other, there are several maximum limits. These vary according to the level of regional development, with higher contribution rates possible in less-developed regions and, to an extent depending on intervention category, higher contribution rates possible for measures in the fields of environment (agri-environment-climate measures and non-productive investments) and cooperation (LEADER as well as EIP). Compared with the current funding period, however, maximum contribution rates are, on average, lower for the CAP 2023–2027.

Figure 4 shows the share of EAFRD funds (after transfers) under the second pillar. Overall, the EU contribution rate decreases from 68 % to 60 % compared with that for the 2014–2020 funding period, a decline which was to be expected under the new requirements. At national level, however, there is great variation. With a high share of funds transferred from the first pillar and a prominent role accorded to environmental measures, the Danish strategic plan has the highest share of EU money. It is followed by several Member States that have a high proportion of less-developed regions eligible for a high EAFRD contribution. At the other end of the spectrum, two very different Member States, Hungary and Luxembourg[10], have the highest proportions of national co-financing. In addition to Hungary, Bulgaria and the Czech Republic are particularly noteworthy; all three countries have a high proportion of less-developed regions and would be eligible to apply high EAFRD contribution rates. However, these countries mobilise national funds to a large extent and do not come close to exhausting the possible maximum rates. Against this background, it is worth looking further at the political considerations

[10] The value for Luxembourg is below the lower limit of 20 %, a fact which suggests an incorrect entry. However, a low EAFRD contribution rate does seem plausible, given the low rate in the previous funding period and the general decline in the new funding period.

behind the contribution rates. In Hungary, for example, the strategic plan was developed in the context of parliamentary elections, and this may have influenced the overall level of public funding in the strategic plan.[11] Actors trying to shield specific funds by tying them to multi-annual EU funds, and thus making them less likely to be cut in annual budget negotiations, might also be relevant.

Figure 4: Share of EAFRD in total public funding under the second pillar



Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

4.3.3 Degression and capping

The SPR (Article 17) allows the basic income support for farms to be reduced degressively from an amount of €60,000 or to be capped from an amount of €100,000. The retained funds may be used for other purposes: complementary redistributive income support, other interventions in the form of direct payments under the first pillar or interventions under the second pillar (Article 29 SPR).

Only nine Member States apply capping and/or degression, as shown in Table 3. The majority of them use the funds to contribute to the financing of complementary redistributive support.

[11] At the presentation of the CAP strategic plan, the Hungarian Minister of Agriculture emphasised this fact: "We're modernising the agriculture and food supply sectors that are the backbone of the rural economy, while preserving the natural values of our created world, allowing for an improved quality of life for people in the countryside, and providing support to small- and medium-sized farms," Nagy said. "A government decision to raise the national co-financing threshold to the maximum 80 percent will make 6.253 billion forints (€16.9bn) in funding available for farming, food industry and rural community developments," he added. (https://hungarytoday.hu/hungary-strategic-agriculture-eu-cap-brussels-commission/).

Table 3: Use of degression and capping in the CAP strategic plans

	Degression	Capping	Labour costs subtraction	Use for
BE	x	x		Complementary redistributive income support
BG		x	x	Complementary redistributive income support
ES	x	x	x	Complementary redistributive income support
IE		x	x	Complementary redistributive income support
LV		x	x	Complementary redistributive income support
PT	x			Complementary redistributive income support
SE	x			Use for other interventions in the form of direct payments
SI	x			Complementary redistributive income support
SK	x		x	Shift to 2nd pillar

Source: Authors' own representation, based on the submitted CAP strategic plans.

4.3.4 Financial instruments

Funds for the second pillar may also be increased by using financial instruments. Article 80 SPR permits this for all non-area-based measures. In contrast to a grant, support received from a financial instrument must be repaid in part or in full. The repaid funds can then be re-used. Eleven Member States used financial instruments worth €599 million in EAFRD funds in the 2014–2022 funding period (COM, 2021a). Lithuania is another Member State to have designed a financial instrument in the wake of the Covid crisis, while others have expanded their offer as a result of the Covid crisis and the two-year extension of the funding period.

Of these Member States, Germany and Romania do not plan to offer financial instruments again, with Romania explaining that it plans to continue to use the returned funds from the existing funds and other national funds in the form of financial instruments and not to use EAFRD funds from the new funding period.

16 Member States[12] plan to offer financial instruments as part of their CAP strategic plans, most of them from the south and east of the EU, including the Baltic states. France is the only Western Member State to offer financial instruments in the CAP 2023–2027.

Whether financial instruments are programmed depends, *inter alia*, on the general focus of strategic planning. The more public goods are promoted, the less suitable financial instruments are compared with grants. Functioning of capital markets and access to cheap capital also matter. Member States that plan to use financial instruments point to difficulties in accessing capital, not least due to the Covid crisis. Other Member States claim that functioning capital markets and existing national instruments render an offer under the CAP unnecessary.

There is also the option to reallocate a maximum of 3 % of the originally allocated amount of EAFRD funds to InvestEU[13] and thus to use products offered by the European Investment Bank (Article 81 SPR). No Member State plans to avail of this option, as is the case in the current funding period. When Member States offer financial instruments in their EU programmes, they want to offer tailor-made products through their national institutions instead.

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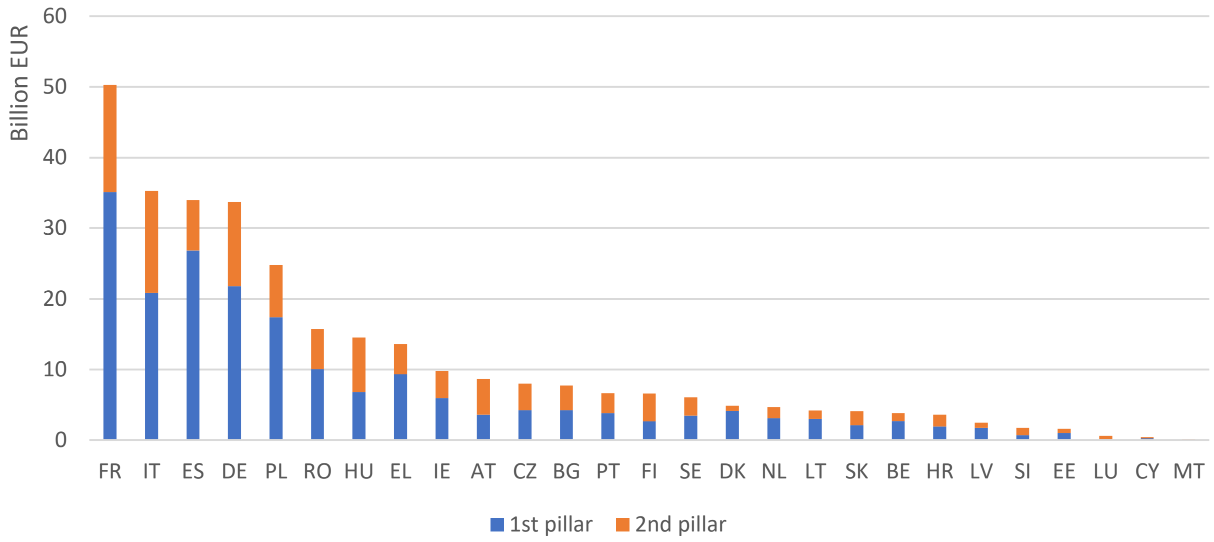
[12] BG, CY, CZ, EE, EL, ES, FR, HR, HU, IT, LT, LV, PL, PT, SI, SK.

[13] InvestEU is an umbrella programme for various financial instruments offered by the EU (https://investeu.europa.eu/about-investeu_de).

4.4 Overview of planned public funding in the CAP strategic plans

After transfers and including national co-financing, the strategic plans have a total public funding volume of around €308 billion. Figure 5 shows the distribution among the Member States. France, Italy, Spain and Germany plan to spend the most, followed by Poland, Romania and Hungary.

Figure 5: Planned public funding in the CAP strategic plans 2023–2027



Source: Authors' own representation, based on the submitted CAP strategic plans.

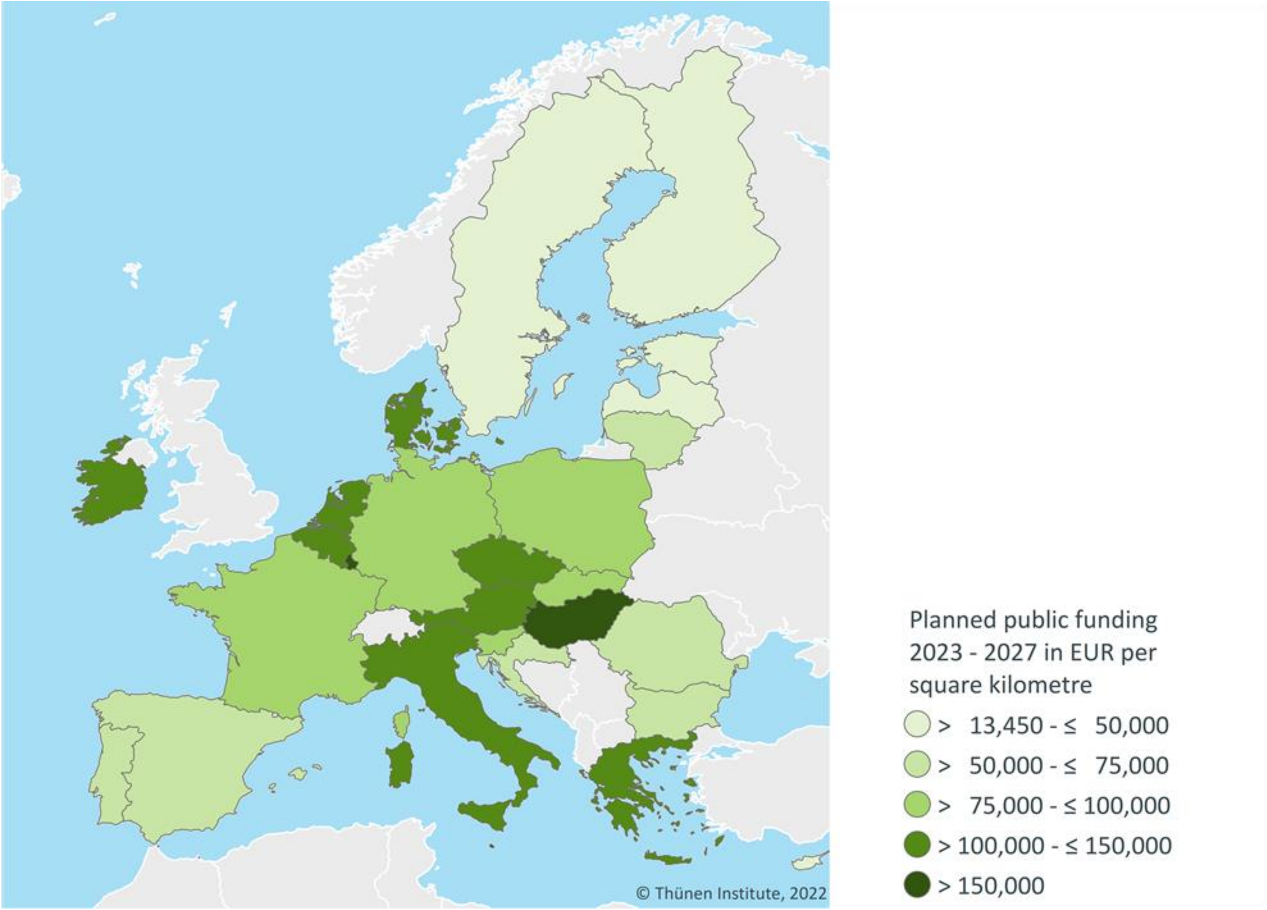
EAGF interventions account for around 64 % and EAFRD interventions for 36 % of planned CAP spending. However, the importance of the pillars varies among the Member States. The second pillar accounts for more than 70 % of Malta's and Luxembourg's strategic plans and more than 50 % of Slovenia's, Finland's, Austria's and Hungary's. Denmark (14.3 %) and Spain (21 %) have the lowest share of EAFRD funds.

4.5 Funding intensities

Absolute numbers are only meaningful to a limited extent, as the Member States differ in terms of area and population. Funding intensity, based on official EU figures (COM, 2016, 2020), offers a complementary perspective.

Map 1 shows the area-based funding intensity, which averages around €72,790 per square kilometre. The highest funding intensity, excluding Malta and Luxembourg, can be found in Hungary. Sweden and Finland have the lowest funding intensities.

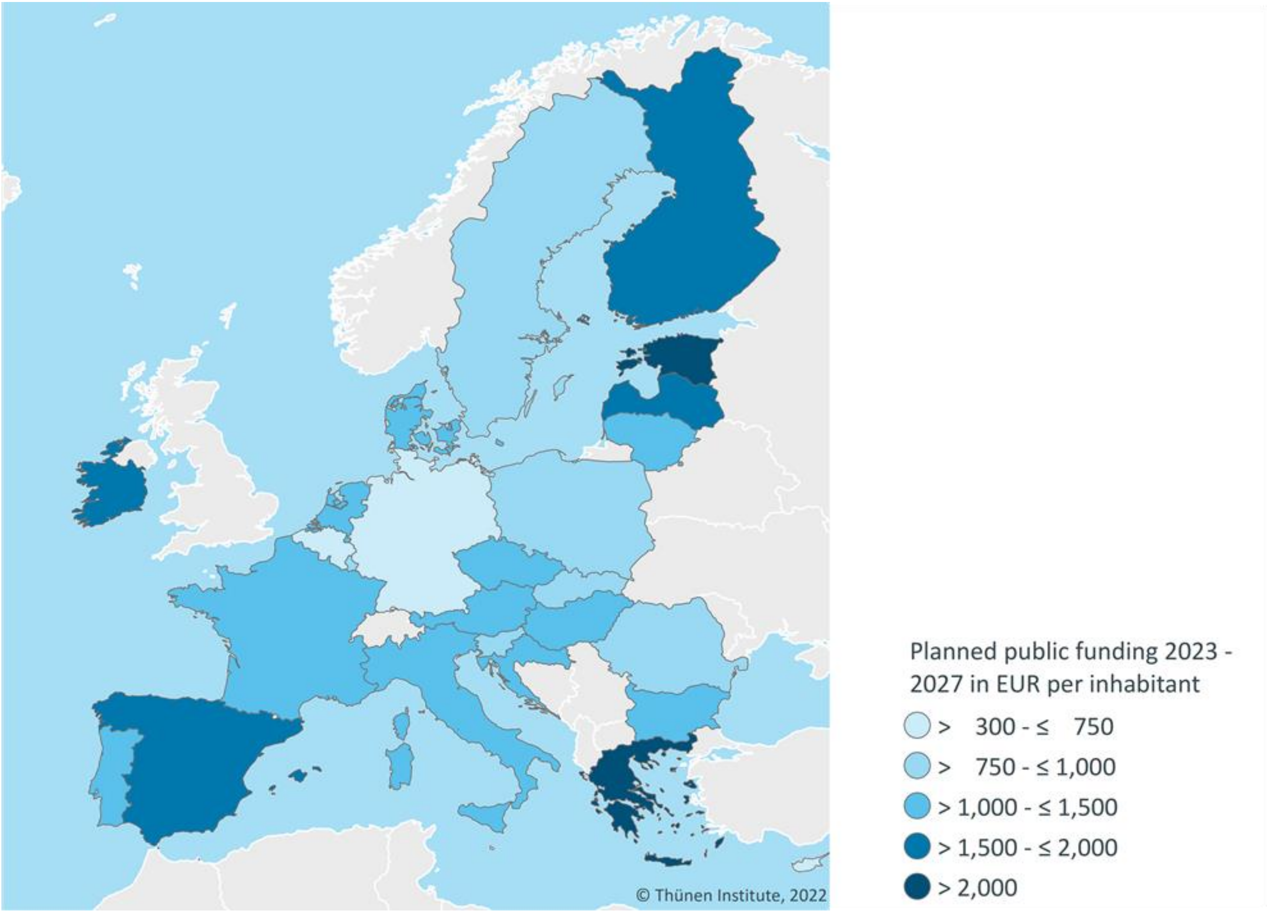
Map 1: Area-based funding intensity: total planned public funding per square kilometre



Source: Authors' own representation, based on the CAP strategic plans submitted by the Member States. © EuroGeographics 2022.

Map 2, based on the population of each Member State, shows a different distribution of funding intensity. The average is €688 per inhabitant. The Netherlands has the lowest funding intensity, followed by Malta. At over €2,000 per inhabitant, Ireland has the highest funding intensity, followed by Lithuania and Hungary at about €1,500 per inhabitant.

Map 2: Funding intensity per capita: total planned public funding per inhabitant



Source: Authors' own representation, based on the submitted CAP strategic plans of the Member States. © EuroGeographics 2022.

5 CAP strategic plans in detail

This Chapter analyses the choices made by Member States in the first and second pillars along the different intervention categories. A perspective on the main objectives and strategic approaches across the two pillars is provided in Chapter 6.

5.1 Conditionality

So-called conditionality (Article 12 SPR) must be complied with by all agricultural holdings applying for direct payments under the first pillar or for area-based payments under the second pillar. Conditionality thus forms the basis for the eco-schemes (Article 31), the agri-environment-climate measures (Article 70) and the compensation allowances for natural or other area-specific constraints (Articles 71 and 72). This means that these instruments can only reward support conditions that are not already covered by conditionality. Conditionality is made up of two components: statutory management requirements under EU law and standards for the good agricultural and environmental condition of land (GAEC). In the following, we will focus on the GAEC standards.

The specific design is the responsibility of the Member States (Article 13 (1)), which have to make a trade-off: the more ambitious the standards are, the weaker the income effects under the first pillar for direct payments and the narrower is the scope for the above-mentioned voluntary measures.

The SPR (Annex III) provides for nine GAEC standards. With the exception of Hungary, which has published only a slimmed-down version of its plan, information on the GAEC standards is available for all the strategic plans. Three standards are singled out below to illustrate the differences between the Member States: GAEC 2, GAEC 4 and GAEC 8. The explanations which the CAP strategic plans give on the GAEC standards are very general in some parts. This is especially true for the effects of exemptions that are (or may be) allowed and that can significantly weaken the respective standard (Pe'er et al., 2021, p. 19).

GAEC 2 is a new standard for the protection of wetlands and peatlands, and is intended to contribute to the qualitative and quantitative protection of permanent grassland. The SPR allows the enactment of this standard to be delayed by one to two years for administrative reasons. 14 Member States[14] say that they will have delimited the areas by 2024 to 2025, with the result that the corresponding protection will apply only from this later date. This delay is surprising, as there was already a discussion in the current funding period about introducing such a standard, especially against the backdrop of climate policy challenges.

GAEC 4 provides for the establishment of buffer strips along water courses. The definition of water course varies among and even within Member States. Spain, for example, defines it as follows: "Water course means permanent water courses, as well as reservoirs, lakes and ponds and areas with major irrigation canals where infiltration of pollutants may occur." Germany exempts smaller water courses of minor importance to water management[15] from the buffer strip regulations, unless other regulations are provided for in the technical legislation of the Länder. Ireland has the following regulation: "Water courses include all surface waters, including coastal waters, estuaries, lakes, ponds, rivers, streams, canals and field ditches/drains (including temporarily dry drains). In areas with significant dewatering ditches, Ireland will not alter the minimum buffer strip width." These examples show that it is difficult to gauge the overall extent to which buffer strips need to be established and to understand how these rules relate to the existing regulatory framework at Member State.

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[14] Germany plans to start in 2023, but pointed out that, in the Lower Saxony/Bremen/Hamburg region, which has many wetlands and peatlands, delimitation will not be completed until the end of 2023.

[15] These are, for example, roadside ditches as part of roads, irrigation and drainage ditches, water bodies with a catchment area of less than 10 ha, water bodies that do not carry water permanently.

The SPR sets a minimum width of three metres on which no pesticides and fertilisers may be used. However, it also allows exemptions for areas having significant amounts of drainage and irrigation ditches. 13 Member States have set the width of the buffer strip at three metres. All other Member States have set ranges that vary according to the type of water body and its ecological status, and also to applicable national water laws. Such margins exist in Austria, Belgium, Estonia, the Netherlands and Romania. Sweden has set different widths for plant protection products and fertilisers: five and two metres respectively. Several Member States go beyond the minimum width specified in the SPR: Malta, Spain, Slovenia and France, for example, specify a minimum width of five metres. In Belgium (Wallonia), the buffer strips are to be six metres, and in Cyprus, Latvia and Luxembourg, ten metres. The majority of Member States do not allow any exemptions. A few, including France and Germany, allow exemptions in areas with a high proportion of irrigation and drainage ditches, but do not specify the extent of these exemptions.

GAEC 8 addresses the provision of a minimum share of agricultural land devoted to non-productive areas or features. Three variants can be offered (Annex III SPR):

- Minimum share of at least 4 % of arable land at farm level devoted to non-productive areas and features, including land lying fallow.
- Where a farmer commits to devote at least 7 % of his/her arable land to non-productive areas or features, including land lying fallow, under an enhanced eco-scheme […], the share to be attributed to compliance with this GAEC standard shall be limited to 3 %.
- Minimum share of at least 7 % of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3 % shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0.3 for catch crops.

The specifications of the Member States vary widely and the same applies to the granting of exemptions. These exemptions are described in footnote 5 of Annex 3 SPR. Farms whose arable area is less than ten hectares or whose agricultural area consists of more than 75 % permanent pasture do not have to comply with the GAEC standard. Another exemption applies to farms where more than 75 % of the arable land is used for the cultivation of forage grasses or other forage crops, for fallow land or for the cultivation of legumes. The extent of these exemptions is not quantified in the strategic plans.

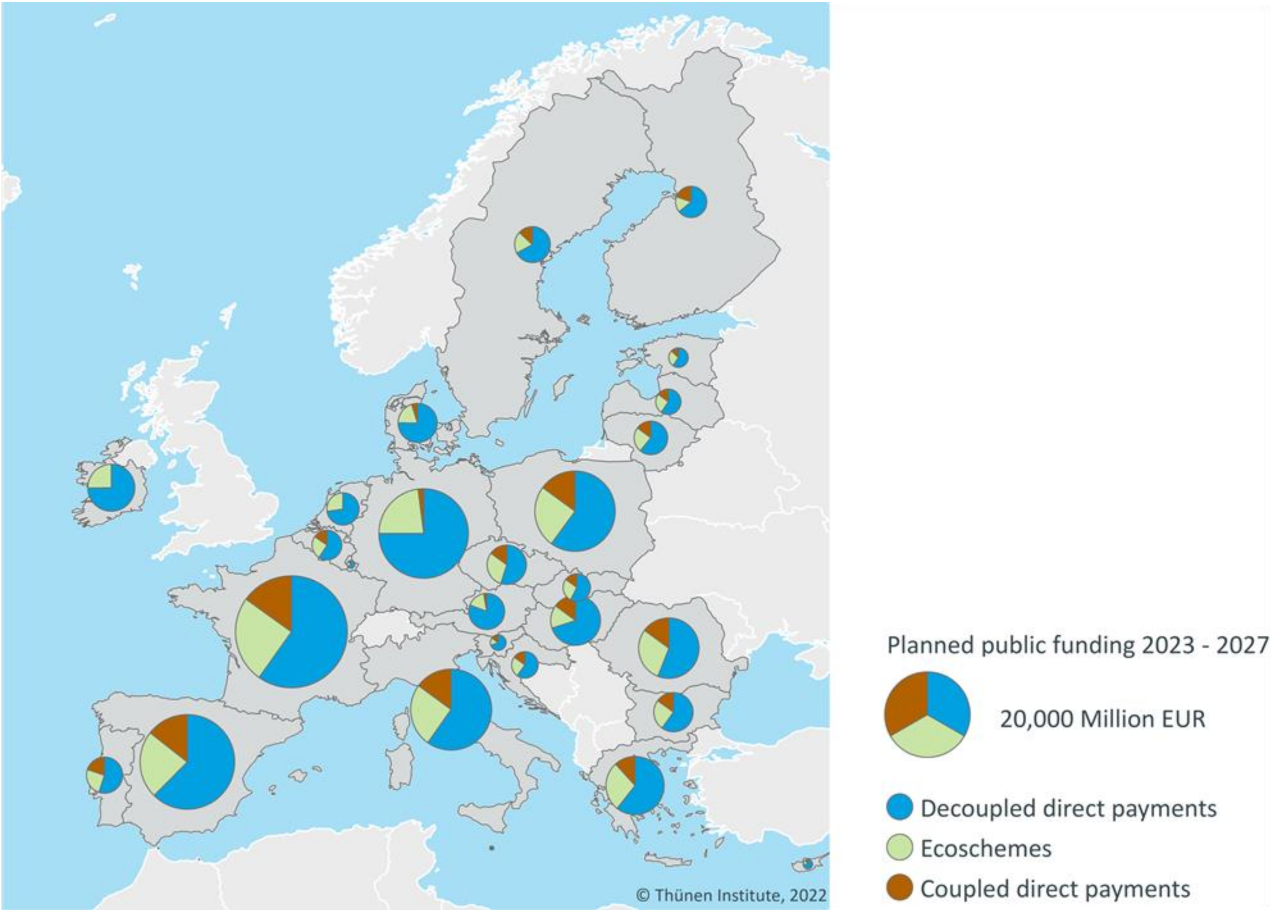
- Eight Member States (Germany, Austria, Finland, Ireland, Italy, Lithuania, Malta, Sweden) offer only variant 1. Of these, only Ireland does not allow an exemption.
- Three Member States (Denmark, Luxembourg, Romania) allow variants 1 and 2. Denmark does not allow exemptions.
- Four Member States (Belgium (Flanders), Cyprus, Slovakia, Slovenia) offer variants 1 and 3 and also allow all exemptions.
- Eleven Member States (Belgium (Wallonia), Bulgaria, Croatia, Estonia, France, Greece, Latvia, Netherlands, Poland, Portugal, Spain) offer all three variants. Of these, only Estonia does not allow exemptions.
- One Member State (Czech Republic) offers only the third option and allows for exemptions.

The design of these three GAEC standards is a first indication of the diversity of content in the CAP strategic plans. Extensive use is made of discretion and derogations. Moreover, it is already clear that very different levels of environmental and climate policy ambition lie (or may lie) behind the direct payments and eco-schemes under the first pillar and the AECMs under the second pillar. Any in-depth analysis of the "green architecture" of the strategic plans therefore needs to consider not only the regulatory basis, but also the specific design of conditionality and interventions. To do so would be to go beyond the scope of this paper, which does, however, offer some preliminary insights based on the following analysis of the design and priorities of the CAP strategic plans.

5.2 First pillar

The first pillar (without sectoral interventions; see Chapter 5.3) is structured very differently among the Member States. As for the direct payments, the overall share of decoupled direct payments is 64 %. A further 24 % of the funds are allocated to eco-schemes and 12 % of the funds are used for coupled payments. Behind these average values, however, there are considerable differences among the Member States, as shown in Map 3.

Map 3: Decoupled and coupled direct payments and eco-schemes (after transfers)



Source: Authors' own representation, based on the submitted CAP strategic plans of the Member States. © EuroGeographics 2022.

Austria has the highest share of decoupled direct payments (81 %), followed by Germany and Denmark (75 %). Malta (49 %), Portugal and the Czech Republic (55 %) and Romania (56 %) are at the lower end of the scale.

The share of funds allocated to eco-schemes is highest in the Czech Republic (30 %). Romania is planning to allocate 29 %, followed by Estonia, Greece and Slovakia, at 28 % each. Clearly below the EU average are Hungary and Slovenia, at 15 %, Malta and Finland, at 16 %, and Austria and Cyprus, at 17 %. These low figures may seem surprising, as Article 97 SPR stipulates that 25 % of direct payment funds shall be earmarked for eco-schemes. However, there are exemptions for Member States that exceed a threshold for environmental and animal welfare in the intervention categories under Articles 70, 72, 73 and 74 (more than 30 % of the EAFRD budget). These Member States are allowed to reduce the minimum for eco-schemes within certain limits.[16]

Coupled payments are limited to 13 % of direct payment funds (excluding cotton) under Article 96 SPR. However, exemptions are possible. As a result, 17 Member States have higher shares of coupled direct payments. Malta has the highest share, at 35 %, followed by Portugal, at 20 %, and Finland, at 19 %. Very low shares of coupled

[16] Another reason may be incorrect or inadmissible entries.

direct payments are found in Ireland (1 %), Germany (2 %) and Austria (3 %). The Netherlands does not offer decoupled direct payments at all.

The absolute figures for the Member States' interventions shown, which were determined on the basis of the plans submitted, are presented in Annex 3.

The following Chapter will take a closer look at Member States' choices regarding decoupled direct payments, eco-schemes and coupled direct payments.

5.2.1 Decoupled direct payments

Decoupled direct payments are the basic income support for sustainability, the complementary redistributive income support for sustainability and the complementary income support for young farmers. The new eco-schemes also form part of the decoupled direct payments, but are dealt with separately in Chapter 5.1.2. In addition, Article 28 SPR provides for the setting up of separate schemes for small producers. With the exception of the latter, Member States must offer all types of decoupled direct payments. However, a number of exemptions are defined and are also availed of by many Member States.

Among decoupled direct payments, basic income support still accounts for the largest share of funding, at 51.3 %, although its share has decreased slightly, relative to the share of all direct payments in 2019[17] (see Table 4). Complementary redistributive support has gained in importance due to its binding nature and now has a share of 10.4 %. 18 Member States had not yet used this instrument in 2019. Only a few Member States continue not to use it. These are Denmark, Malta and Sweden. Estonia, Lithuania and Slovenia plan to use significantly less than the envisaged ten per cent. This is possible because Article 29 SPR allows Member States to also use alternative instruments "provided that they demonstrate in their CAP strategic plans that they sufficiently respond to [the need for redistribution of income support]".

[17] As direct payments barely vary from year to year, it was possible to compare the total payments 2023 to 2027 with the payments in a single EU budget year as a way of showing relative share and changes therein.

Table 4: Decoupled direct payments (excluding eco-schemes): Changes compared with 2019 and share of total direct payments

	Change in the share of total direct payments between the planned figures for 2023 to 2027 and the 2019 expenditure in percentage points			Share in total direct payments in the CAP strategic plan in per cent		
	Basic income support for sustainability (*)	Complementary redistributive income support for sustainability (**)	Complementary income support for young farmers (***)	Basic income support for sustainability (*)	Complementary redistributive income support for sustainability	Complementary income support for young farmers
AT	1.6% points	10.2% points	0.1% points	68.6%	10.2%	2.0%
BE	- 2.0% points	5.9% points	1.0% points	40.8%	15.3%	2.9%
BG	0.8% points	3.0% points	1.3% points	48.5%	10.0%	1.5%
CY	2.0% points	10.0% points	- 0.1% points	62.8%	10.0%	1.1%
CZ	- 22.3% points	23.0% points	- 0.4% points	31.5%	23.0%	0.5%
DE	- 2.0% points	5.0% points	1.9% points	59.6%	12.0%	3.4%
DK	10.3% points	0.0% points	- 2.0% points	75.2%	0.0%	0.0%
EE	- 13.1% points	5.0% points	1.3% points	52.3%	5.0%	2.0%
EL	- 9.6% points	9.6% points	- 0.4% points	49.5%	9.6%	1.5%
ES	- 7.5% points	10.1% points	0.7% points	50.4%	10.1%	2.0%
FI	9.9% points	3.0% points	0.5% points	58.6%	3.0%	2.5%
FR	5.0% points	0.0% points	0.1% points	48.3%	10.0%	1.5%
HR	- 5.7% points	10.2% points	0.0% points	38.0%	20.0%	2.0%
HU	5.3% points	10.0% points	0.4% points	58.6%	10.0%	1.4%
IE	- 6.7% points	10.0% points	1.3% points	61.4%	10.0%	3.0%
IT	- 9.4% points	10.0% points	- 0.1% points	47.8%	10.0%	2.0%
LT	0.9% points	4.9% points	0.3% points	38.7%	20.0%	2.3%
LU	- 17.5% points	12.1% points	0.6% points	49.6%	12.1%	2.6%
LV	- 2.7% points	7.9% points	- 1.3% points	50.9%	7.9%	0.7%
MT	17.6% points	0.0% points	0.5% points	48.2%	0.0%	0.6%
NL	- 7.7% points	10.0% points	- 0.2% points	60.8%	10.0%	1.8%
PL	- 1.5% points	3.2% points	- 0.8% points	47.4%	11.6%	1.1%
PT	- 3.6% points	7.0% points	- 0.5% points	45.1%	10.0%	0.0%
RO	- 9.8% points	5.0% points	- 0.1% points	45.0%	10.0%	1.0%
SE	9.4% points	0.0% points	1.3% points	64.3%	0.0%	2.9%
SI	8.6% points	5.0% points	- 0.5% points	63.0%	5.0%	1.5%
SK	- 8.3% points	10.1% points	0.2% points	46.6%	10.1%	0.6%
EU-27	- 2.9% points	6.1% points	0.3% points	51.3%	10.4%	1.8%

Note: (*) Also includes the small producers' scheme in the CAP strategic plans. The values for 2019 include the basic premium, the single area payment in the new Member States and the small farmers' scheme; (**) 2019: redistribution premium); (***) 2019: payment for young farmers.

Source: Authors' own representation, based on the submitted CAP strategic plans, DG Agri (2021).

The complementary income support for young farmers amounts to 1.81 % of direct payments, which represents a small increase in importance, compared with the current funding period. Denmark and Portugal are the only two Member States to not offer this support.

A specific small farmers' scheme was still in use by a majority of Member States (15) in 2019. The respective share of the total of direct payments was 2.1 %. Only five Member States will avail of the possibility of granting payments to small farmers in the form of a lump sum payment or amount per hectare (Article 28 SPR), namely Bulgaria, the Czech Republic, Latvia, Malta and Portugal. The share of the total of direct payments is 0.2 %.

5.2.2 Eco-schemes

Eco-schemes represent the main innovation of the instruments in the new CAP funding period. They serve as replacements for Greening, the ecological effectiveness of which had been heavily criticised (Röder et al., 2019; Röder, 2018; ECA, 2017).

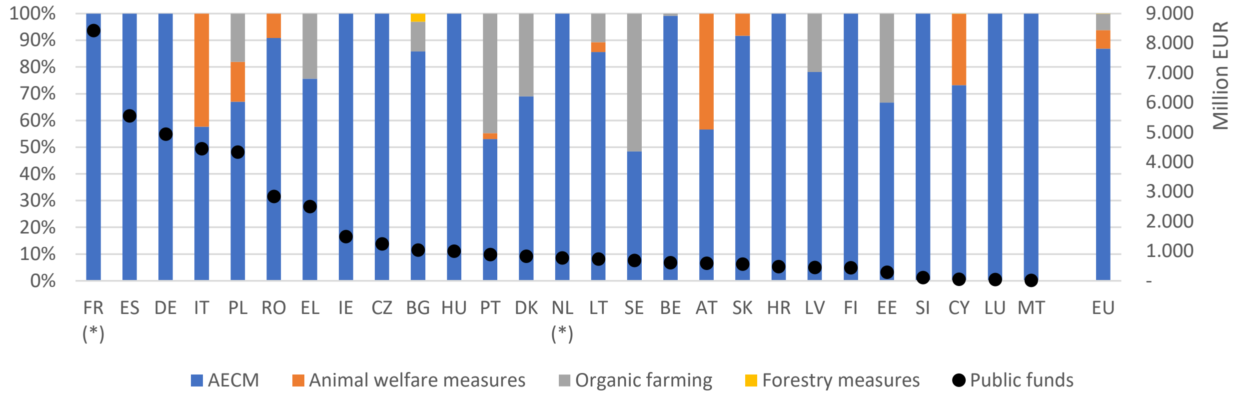
Eco-schemes are not mandatory for farms – unlike greening, which required the participation of all farms receiving direct payments. It allowed exemptions for small farms, farms with only permanent crops and organic farms that were considered "green by definition". There were further exemptions for farms having a high proportion of permanent grassland and farms having natural handicaps in countries with a high proportion of forest. Greening consisted of three elements: crop diversification, the provision of Ecological Focus Areas (EFAs) – EU legislation provides for 19 different types of EFAs – and permanent grassland protection. Eco-schemes retain some of the greening elements as well as measures of the second pillar, while also introducing new instruments. The majority of greening elements, especially the provision of EFAs and grassland protection, will become part of conditionality (see Chapter 5.1) and thus obligatory for all farms applying for direct payments in the future.

The greening component of direct payments was around 30 %[18] of all direct payment funds in 2019 (DG Agri, 2021). The determination that farms with direct payments were entitled to the payment (through compliance or by definition) meant that the funds were easy for farms and authorities to plan.

The situation is different for eco-schemes. Member States are obliged to reserve 25 % of direct payments for eco-schemes if there are no exemptions. However, it is difficult to estimate demand. Therefore, Article 97 SPR provides for adaptation strategies in 2023 and 2024, which makes management more complex over the full course of programme implementation.

Across the EU, around 24 % of direct payments are earmarked for eco-schemes. Some 87 % of these funds are dedicated to climate, water/soil and biodiversity interventions. Seven percent go to animal welfare measures (especially in Italy, Austria and Cyprus). Six percent are used to support organic farming (notably Sweden, Portugal and Estonia). Finally, a very small share is provided for forestry measures in Bulgaria and Cyprus (see Figure 6).

Figure 6: Distribution of planned expenditure on eco-schemes by group of measures and total planned public funding



Note: (*) In the Netherlands and France, organic farming is supported as part of the eco-schemes, and does not have a separate financial budget line in the planning document.

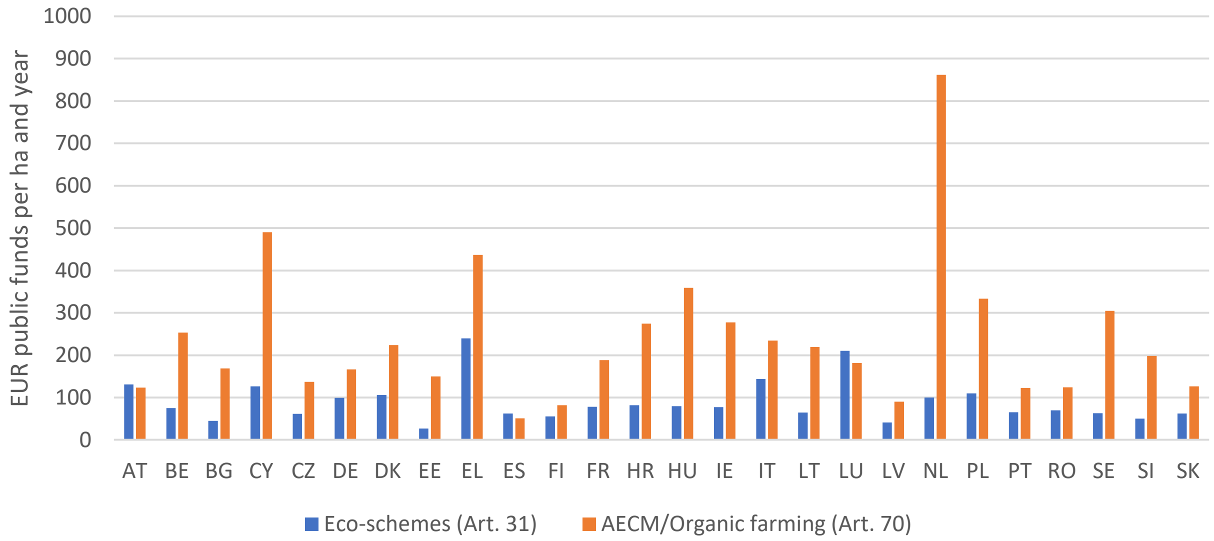
Source: Authors' own representation, based on the submitted CAP strategic plans.

The structure of eco-schemes varies greatly. Five plans (France, Hungary, Ireland, the Netherlands and Slovenia) provide for a single framework intervention whereas the other plans feature a more or less differentiated list of single eco-schemes. Lithuania and Poland have the highest number of interventions, at 16.

Compared with the agri-environment-climate measures of the second pillar, the eco-schemes tend to cover larger areas with lower funding commitments. For those interventions for which information on the planned area was available, Figure 7 shows the average annual support per hectare of UAA. With the exception of Austria, Spain and Luxembourg, the average support per hectare under the second pillar is significantly higher than that under the first pillar eco-schemes. Thus, eco-schemes tend to function as basic environmental measures, while second pillar measures address specific areas with a higher level of funding commitments.

18 The exception was Malta, at 11 %.

Figure 7: Annual average payments per hectare of subsidised area for eco-schemes and agri-environment-climate measures/organic farming



Without Malta: Eco-schemes (Art. 31) €1,546 per hectare; Agri-environment-climate measures/Organic farming (Art. 79) €3,172 per hectare

Source: Authors’ own representation, based on the submitted CAP strategic plans.

5.2.3 Coupled income support

Coupled direct payments can be offered on the basis of the specifications set out in Section 3 SPR and Article 96, which lays down the maximum financial allocations. 26 Member States plan to offer coupled income support. Germany is a newcomer, while the Netherlands is withdrawing support. Overall, the share of coupled payments in all direct payments is increasing slightly from 10.8 % in 2019 to a planned 12.2 % in the 2023–2027 funding period (see Table 5). At national level, too, there is not much change. Those Member States which have a relatively high share of coupled payments under the CAP Strategic Plan also had a high share previously, with the exception of Estonia and Luxembourg.

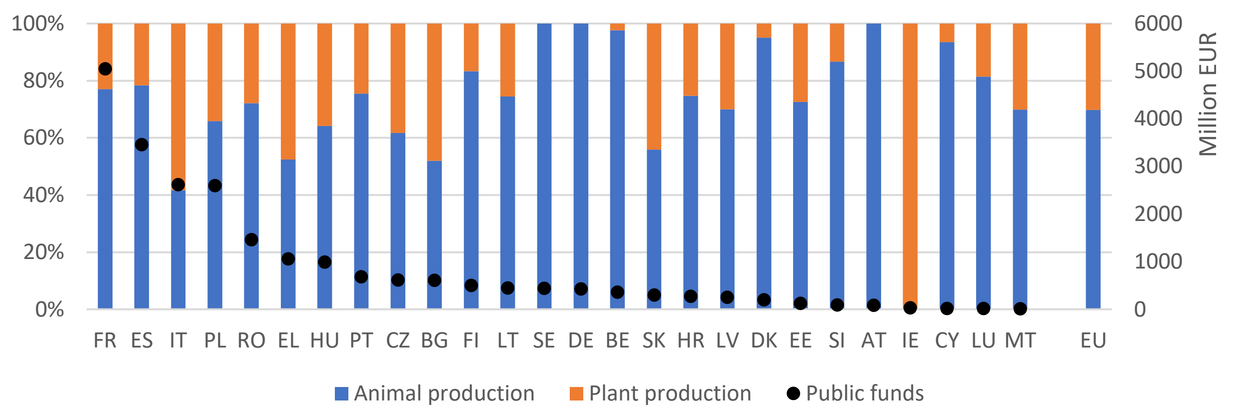
Table 5: Coupled direct payments: Changes compared with 2019 and share of total direct payments

	Change in the share of coupled income support in total direct payments between the planned figures for 2023 to 2027 and the 2019 expenditure in percentage points	Share of coupled income support in direct payments in the CAP strategic plan
MT	-23.4 % points	34.9 %
PT	0.8 % points	19.8 %
FI	0.0 % points	19.5 %
BE	-1.1 % points	15.4 %
FR	0.2 % points	15.1 %
BG	0.2 % points	15.0 %
PL	0.7 % points	15.0 %
CZ	0.0 % points	15.0 %
SI	1.9 % points	15.0 %
LV	0.0 % points	15.0 %
RO	2.1 % points	15.0 %
LT	0.0 % points	15.0 %
HU	-0.2 % points	15.0 %
SK	0.1 % points	15.0 %
HR	0.1 % points	15.0 %
IT	3.0 % points	14.9 %
ES	2.7 % points	14.4 %
EE	8.8 % points	13.0 %
SE	-0.2 % points	13.0 %
LU	11.6 % points	12.0 %
EL	2.1 % points	11.7 %
CY	1.0 % points	8.9 %
DK	2.0 % points	4.9 %
AT	1.0 % points	2.6 %
DE	2.0 % points	2.0 %
IE	0.3 % points	0.6 %
NL	-0.2 % points	0.0 %
EU-27	1.5 % points	12.2 %

Source: Authors' own representation, based on the submitted CAP strategic plans, DG Agri (2021).

Coupled payments are highly differentiated along product types, regions, and extensive or intensive production modes. Around 70 % of coupled payments go to animal production and 30 %, to crop production. Figure 8 shows the various shares among the Member States. Germany, Austria and Sweden use coupled payments exclusively for animal production.

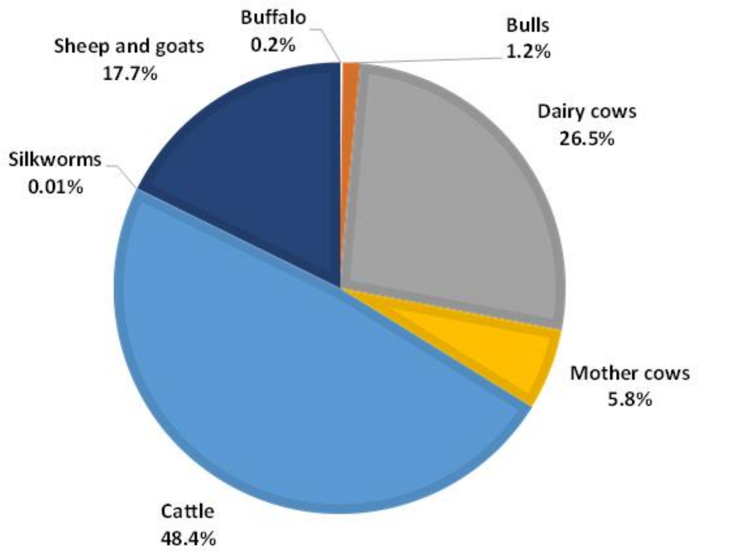
Figure 8: Planned public funding for coupled income support by designation



Source: Authors' own representation, based on the submitted CAP strategic plans.

Figure 9 shows the different types of livestock production that are supported with coupled payments. Most of the funds are earmarked for cattle farming, followed by dairy cow farming, and some more extensive variants. In Greece and Romania, there is also support for silkworms.

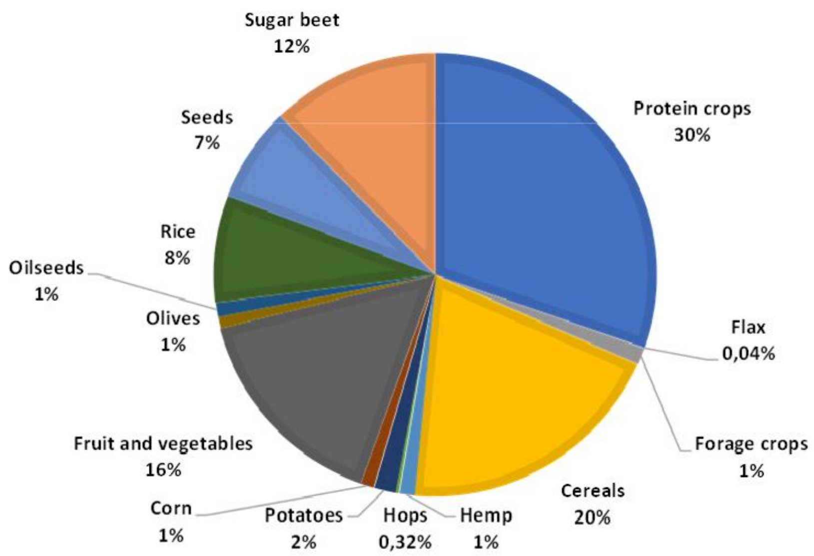
Figure 9: Planned public funding for coupled payments in livestock production by animal species



Source: Authors' own representation, based on the submitted CAP strategic plans.

As for crop products, protein crops occupy first place, accounting for 30 % of coupled direct payments, followed by cereals, at 20 %, fruit and vegetables, at 16 %, and sugar beet, at 12 % (see Figure 10).

Figure 10: Planned public funding for coupled payments in crop production by production sector



Source: Authors' own representation, based on the submitted CAP strategic plans.

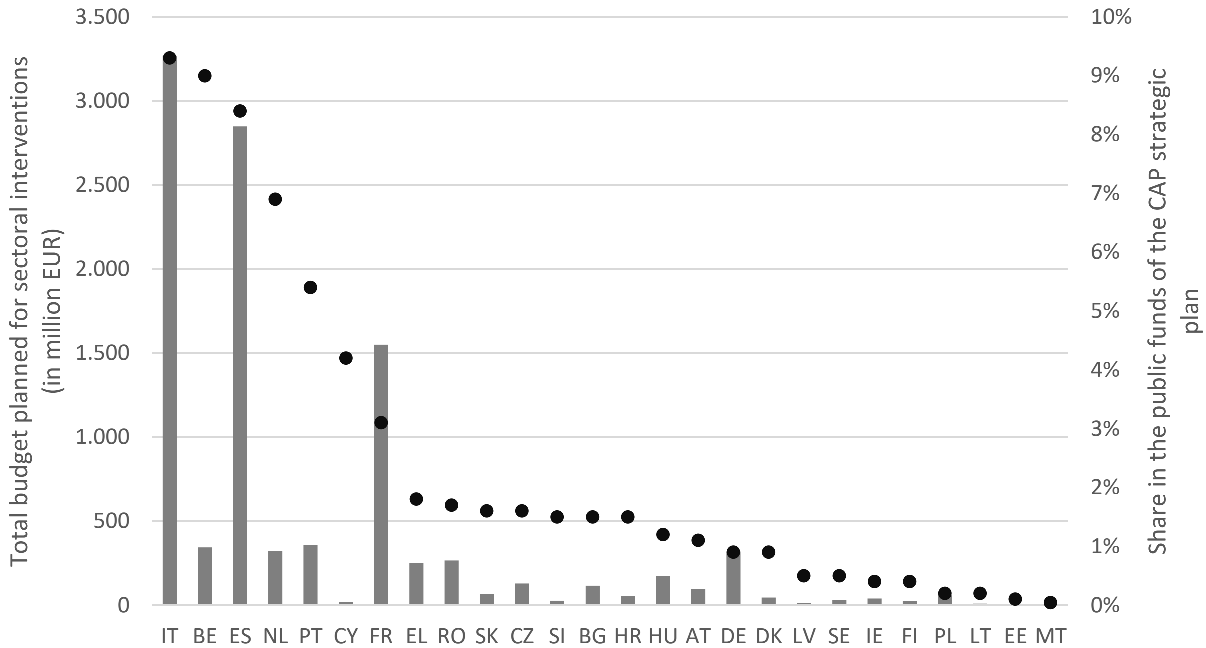
5.3 Sectoral interventions

Sectoral interventions were previously part of the Common Market Organisation Regulation. They concern the sectors fruit and vegetables, wine, hops, olive oil and table olives and apiculture products, and others. Chapter III SPR contains detailed rules for the implementation of sectoral interventions, including mandatory and optional types. Article 88 SPR specifies the allocations for wine, apiculture products, hops and olive oil and table olives.

For the fruit and vegetables sector, there are no financial envelopes, as the volume of funds results from the number of recognised producer organisations applying for operational programmes. The funds allocated to individual Member States for hops (Germany) and olives and table olives (Greece, France, Italy) may be transferred to direct payments, but the four Member States do not avail of this option. If a Member State wants to support other sectors, it has to use funds from the direct payment envelope for this purpose (up to 3 %).

The importance of sectoral interventions varies across Member States. This can be seen from the share of sectoral interventions in the total budget of the CAP strategic plans (see Figure 11). Italy, Belgium, Spain, the Netherlands and Portugal allocate more than 5 % of their planned public funding to sectoral interventions. Luxembourg does not offer any sectoral intervention. Malta has the second lowest share.

Figure 11: Planned public funding for sectoral interventions and share of total planned public funding



Note: Excluding Luxembourg, which has not programmed sectoral interventions.

Source: Authors' own representation, based on the submitted CAP strategic plans.

The fruit and vegetables (50 %) and wine (45 %) sectors account for most of the public funding planned for sectoral interventions (see Figure 12). Other sectors, such as apiculture products, olives and hops, account for just under 5 %. The shares of the sectors vary greatly among the Member States and depend – besides the requirements imposed by SPR – on different natural conditions, which, for example, limit the cultivation of wine or olives to individual Member States, whereas fruit and vegetables and beekeeping products can be supported throughout the EU. In the case of fruit and vegetables, this only applies to the extent that a Member State has recognised producer organisations. The hops sector is only supported in Germany. The possibility of supporting other sectors is taken up by just five Member States.

The fruit and vegetables sector is supported in all Member States, except Malta and Estonia. Belgium, the Netherlands, Denmark, Sweden and Finland support this sector almost exclusively. In absolute terms, Spain accounts for the highest amount, at €1.8 billion. Italy has earmarked the second highest sum, at €1.5 billion. France follows at a considerable distance, at €382 million.

The wine sector is supported by two-thirds of the Member States. The highest percentage of sectoral interventions is for wine cultivation in Bulgaria and Romania. In absolute terms, Italy allocates the most funds to the wine sector, at €1.58 billion, followed by France, at €965 million, and Spain, at €809 million.

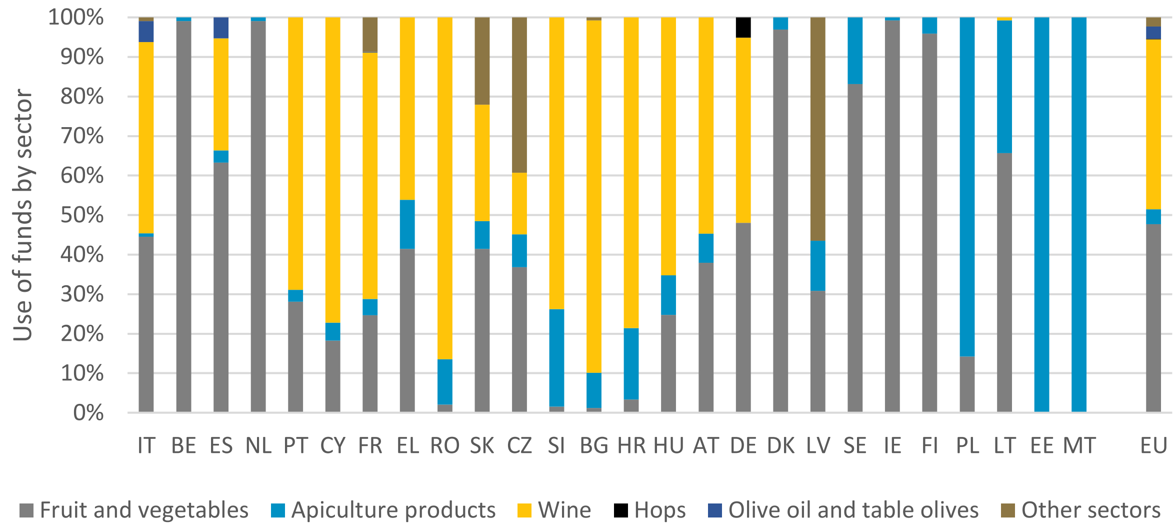
The share of support for apiculture products in the total sectoral interventions varies among the Member States from just under 1 % to 100 %. Malta and Estonia support apiculture products exclusively. Spain provides the most support for apiculture products, at €87 million. Comparatively high amounts are also found in France, at €64 million, and Poland, at €50 million.

The olive sector is supported in Italy, Spain and France. In absolute terms, Italy devotes the most funds to this sector, at €173 million, followed by Spain, at €150 million, and France, at €3 million.

The hops sector is supported exclusively in Germany, at €16 million.

Other sectors are supported in five countries and include dairy products, pork, cereals, beef, sheep and goat's meat, eggs, ornamental plants and potatoes. Latvia has provided for the highest percentage: more than half of the funds planned for sectoral interventions go to a wide variety of sectors[19]. In absolute terms, France has the highest amount, at €135 million. The second highest amount is invested by the Czech Republic, at €50 million. The third highest amount is invested by Italy, at €30 million (in the potatoes sector).

Figure 12: Planned public funding for single sectoral interventions as % of total sectoral interventions



Source: Authors' own representation, based on the submitted CAP strategic plans.

5.4 Second pillar

This Chapter provides a brief overview of Member State priorities along the general intervention categories available under the SPR, before scrutinizing their choices in each intervention category in more detail.

5.4.1 Overview along types of intervention

The SPR provides for nine types of intervention (Arts. 70–78 SPR). As some of them are very similar in content, there are effectively six distinct categories:

(1) Agri-environment-climate measures (AECMs), organic farming and animal welfare measures (Art. 70);

(2) Compensation for natural or other area-specific constraints, including those related to Natura 2000 and the Water Framework Directive (Arts. 70 and 71);

[19] Eleven sectors are listed, plus a summary intervention that refers to further sectors listed in Annex VI of SPR.

(3) Investments in agriculture, forestry, environment and nature conservation, and rural development (basic services and infrastructure) (Arts. 73 and 74);

(4) Setting-up of young farmers and new farmers and rural business start-ups (Art. 75);

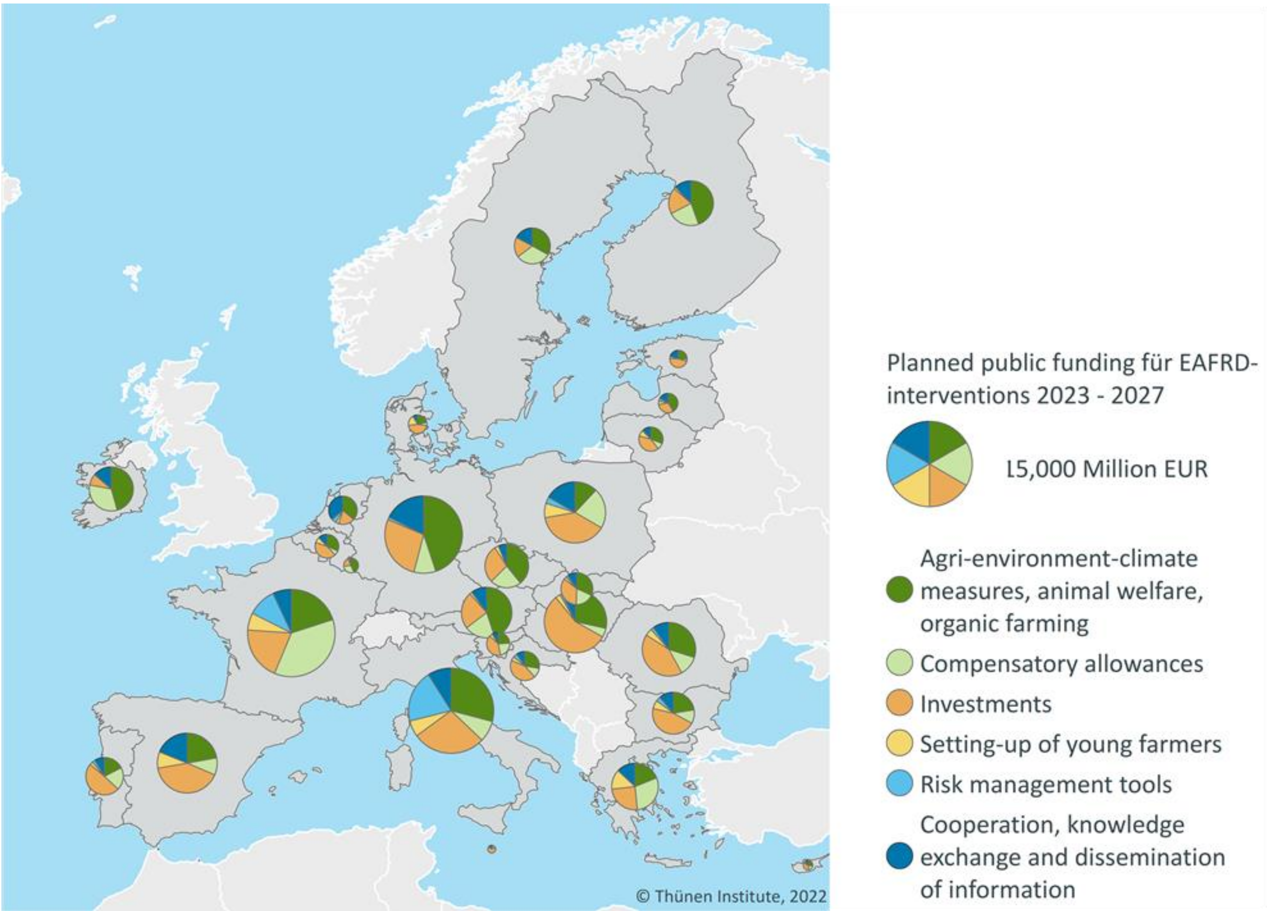
(5) Risk management tools (Art. 76);

(6) Cooperation, in particular LEADER and EIP, knowledge exchange and dissemination of information (Arts. 77 and 78).

In total, the area-based measures of the first two categories account for about 46 % of planned public funding under the second pillar. The funds for AECMs, organic farming and animal welfare amount to 29 %, while payments for area-specific constraints account for 17 %. The intervention category having the highest share of funding is investments, at 31 %. Some 12 % of the funds under the second pillar are programmed for cooperation, knowledge exchange and dissemination of information, with LEADER being the most important intervention in this category. The planned budget for risk management systems on one hand and setting-up aid and start-up aid on the other is 5 % each.

Map 4 provides an overview of the shares of the intervention categories in total public funding under the second pillar per Member State. It shows that the structure of the second pillar is already highly heterogeneous in terms of intervention categories. The following sub-chapters go into more detail on the intervention categories and also draw a comparison with the current funding period.

Map 4: Planned public funding under second pillar intervention categories



Source: Authors' own representation, based on the submitted CAP strategic plans of the Member States. © EuroGeographics 2022.

The absolute figures for the Member States' interventions shown, which we determined on the basis of the plans submitted, are presented in Annex 4.

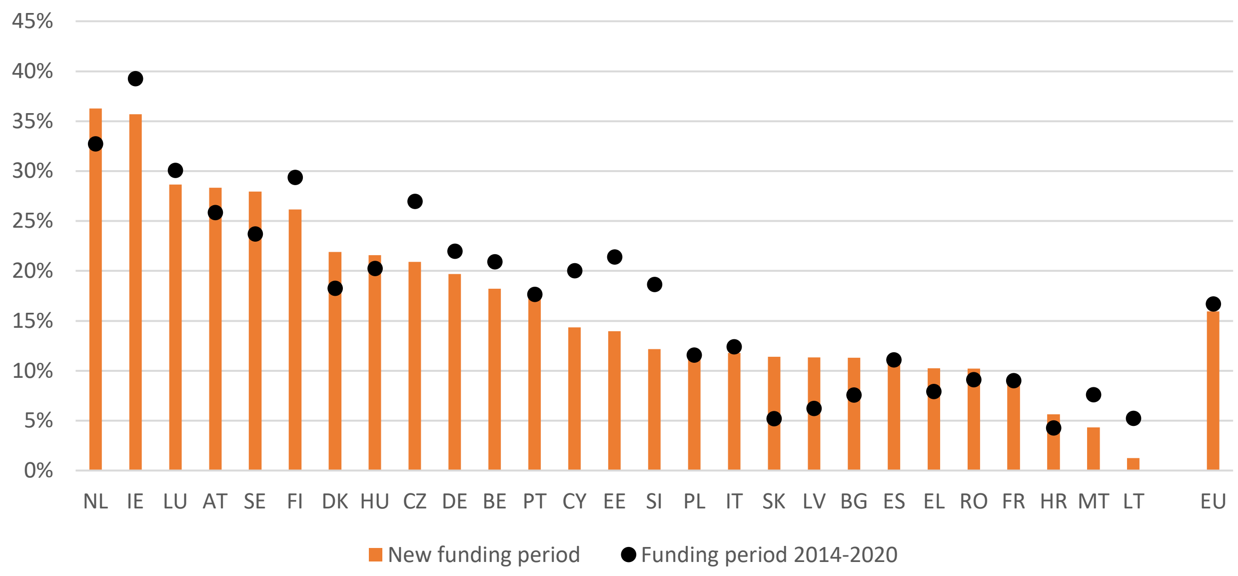
5.4.2 Intervention categories in detail

5.4.2.1 Agri-environment-climate measures, organic farming and animal welfare

The share of funds earmarked for this intervention category has increased by 1.9 percentage points, compared with the current funding period, from 27.6 % to 29.5 %. However, there are differences in both the three types of intervention and among the Member States. A fundamental question for this intervention category was how the obligation to offer eco-schemes under the first pillar affects AECMs, organic farming and animal welfare measures under the second pillar.

AECMs account for 16.7 % of total public funding under the second pillar in the current funding period. This share is now decreasing to 16.0 %. However, a certain amount of variation and a number of opposing developments are evident at Member State level (see Figure 13). In 15 Member States, the relative shares of AECMs under the second pillar are decreasing, most drastically in the Czech Republic, Slovenia, Estonia and Cyprus, namely by more than five percentage points. Among those 12 Member States where AECMs are gaining in relative importance under the second pillar, Slovakia, Latvia and Sweden are showing the largest increases, of four or more percentage points. Merely marginal changes can be observed in the large Member States of Poland, France, Spain and Italy, and the decrease in Germany is also comparatively small at just over two percentage points. The Netherlands has the highest share of AECMs under the second pillar. This is remarkable because the Netherlands also implements AECMs under cooperative agreements (see Chapter 5.3.2.6).

Figure 13: Share of planned public funding for AECMs under the second pillar



Note: The values for the new 2023–2027 funding period have been calculated from the financial estimates for interventions under Art. 70 SPR and include the environmental objective but exclude organic farming; the values for the 2014–2020 funding period have been calculated from financial estimates for measure category 10 of the EAFRD Regulation.

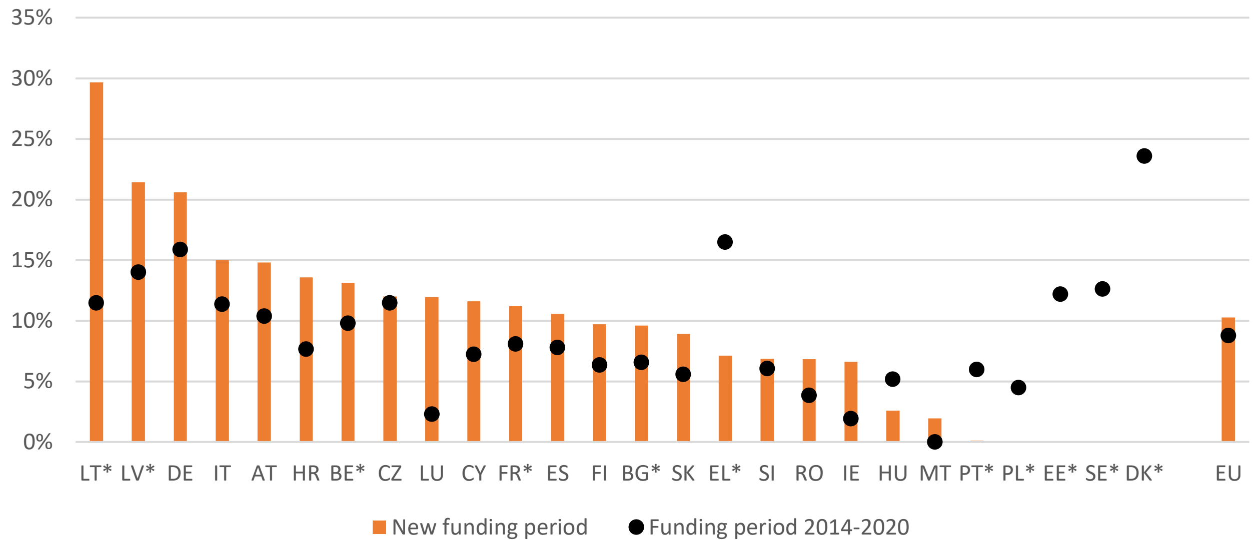
Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

In contrast to the AECMs, **organic farming** under the second pillar takes on greater importance in the new funding period (see Figure 14Figure 14:Share of planned public funding for organic farming support under the second pillar). Overall, its share increases from 8.8 % to 10.3 %. This increase is remarkable because eleven Member States also support organic farming under the eco-schemes of the first pillar.[20] Sweden, Estonia, Denmark and Poland have even shifted this support completely to the first pillar. In addition, Portugal has left just a fraction of

[20] As does the Netherlands, which has, however, not supported organic farming via the second pillar in the current funding period.

organic farming support in the EAFRD. Hungary is the only country where the relative share under the second pillar is decreasing, although it offers no eco-schemes for organic farming. The relative growth of organic farming support under the second pillar is driven in particular by increases in the large Member States of Spain, Italy, France and Germany (see Figure 14). It is also worth noting that Latvia has almost completely eliminated its AECM offerings under the second pillar, but has allocated almost 30 % of its funds to organic farming.

Figure 14: Share of planned public funding for organic farming support under the second pillar

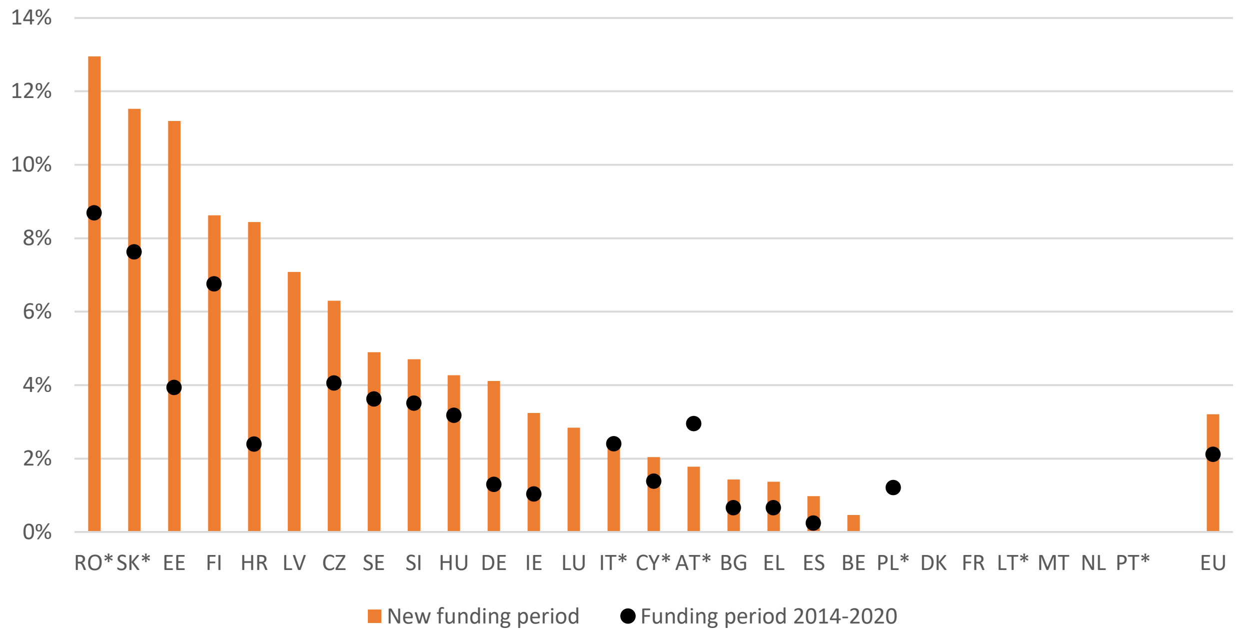


Notes: Values for the new funding period have been calculated from financial estimates for interventions under Article 70 SPR in respect of organic farming; values for the 2014–2020 funding period have been calculated from financial estimates for measure category 11. An asterisk (*) indicates Member States that implement organic farming support fully or partly as an eco-scheme in the first pillar. The Netherlands also supports organic farming as part of its point-based eco-scheme.

Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

Animal welfare measures also account for a higher share of second pillar funds, compared with the current funding period (see Figure 15), increasing from 2.1 % to 3.2 %. Considering that eleven Member States also implement animal welfare measures under eco-schemes of the first pillar, the relative gain in importance under the second pillar appears even more impressive. In total, 20 Member States offer animal welfare measures under the EAFRD. Compared with the case for the last funding period, Belgium, the Czech Republic, Luxembourg and Latvia are newcomers here. In Poland, the corresponding support is now granted under the first pillar. The largest relative increases – apart from the newcomers – are visible in Estonia, Croatia, Romania and Slovakia. Overall, it can be seen that the eastern Member States are reporting higher shares of animal welfare measures under the second pillar.

Figure 15: Share of planned public funding for animal welfare measures under the second pillar



Notes: Values for the new funding period have been calculated from financial estimates for interventions under Article 70 SPR in respect of animal welfare; values for the 2014–2020 funding period have been calculated from financial estimates for measure category 14. An asterisk (*) indicates Member States implementing animal welfare measures as eco-schemes.

Source: Authors' own representation, based on submitted CAP strategic plans and COM, 2022b.

The figures show that, despite the eco-schemes, there is no fundamental shift of AECMs, organic farming or animal welfare measures towards the first pillar, compared with the previous funding period – these would otherwise reach their limits under the second pillar, due to the minimum funding allocations required for environment- and climate-related measures. On the contrary, there is overall moderate growth in the relative importance of this intervention category under the second pillar. The extent to which this growth does justice to the environmental and climate policy ambitions that have been repeatedly called for in the course of the CAP reform remains to be discussed (see Chapter 6).

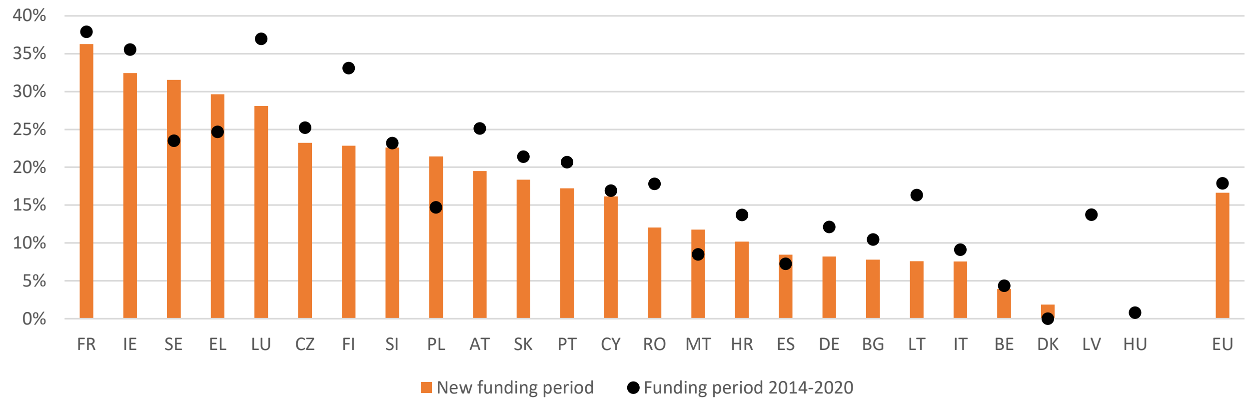
5.4.2.2 Compensation for natural or other area-specific constraints

Compensation payments are declining in relative importance under the second pillar. Their share of planned public funding is 17.4 %, compared with 18.5 % in the current funding period. However, the two types of compensation payments are developing differently (see Figure 16 and Figure 17).

Compensation payments for natural or other area-specific constraints are decreasing in relative terms. While they accounted for 17.9 % of second pillar funds in the current funding period, they now amount to 16.6 %. Behind this general decline are developments in the majority of Member States. Only six countries (Sweden, Poland, Greece, Malta, Denmark and Spain) show relative increases in this category. By contrast, 19 Member States show decreases, in some cases by more than ten percentage points, as in the case of Finland and Latvia. The latter no longer offers any compensation for natural or other area-specific constraints, neither is Hungary.[21] However, the overall figures also reflect the decreases in Germany, Italy and France. The last of these continues to have an exceptional ratio of compensation payments (over 36 %) and AECMs (under 9 %), which are only found in a similar form in Greece (30 % and 10 %).

[21] Estonia and the Netherlands have already not done so in the current funding period.

Figure 16: Share of planned public funding for compensation payments for natural or other area-specific constraints under the second pillar

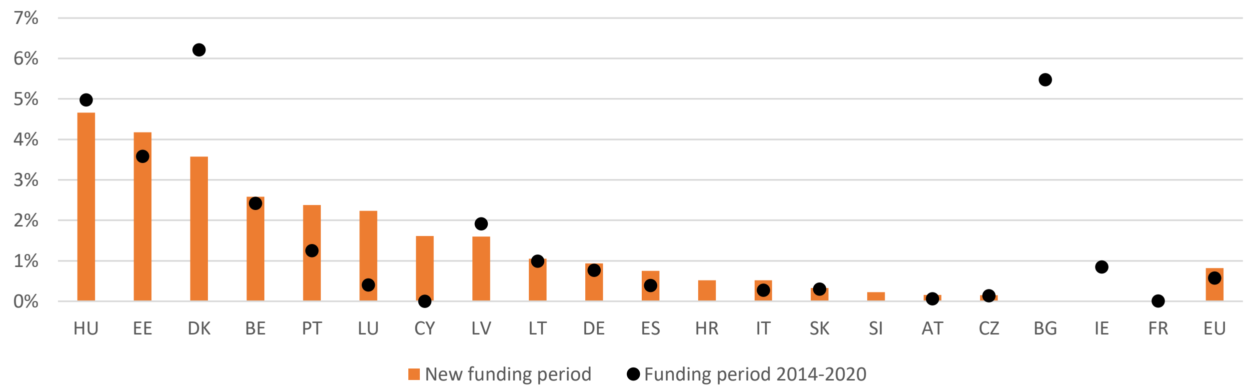


Notes: Values for the new funding period have been calculated from financial estimates for interventions under Article 71 SPR; values for the 2014-2020 funding period have been calculated from financial estimates for measure category 13.

Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

Compared with the above-mentioned compensation payments, the payments **for area-specific disadvantages resulting from certain mandatory requirements** (Article 72 SPR) are very modest. In the current funding period, their share of the funds of the second pillar amounts to 0.6 %. In the new funding period, it is marginally higher, at 0.8 %. A total of 17 Member States offer these compensation payments under the second pillar (see Figure 17). Compared with the current funding period, Croatia and Slovenia are newcomers here; Bulgaria, Ireland and France (albeit with negligible funding previously) have withdrawn from funding these payments under the second pillar. Luxembourg, Cyprus and Portugal report the strongest growth in this category, at more than one percentage point.

Figure 17: Share of planned public funding for area-specific disadvantages resulting from certain mandatory requirements under the second pillar



Notes: Values for the new funding period have been calculated from financial estimates for interventions under Article 72 SPR; values for the 2014–2020 funding period have been calculated from financial estimates for measure category 12.

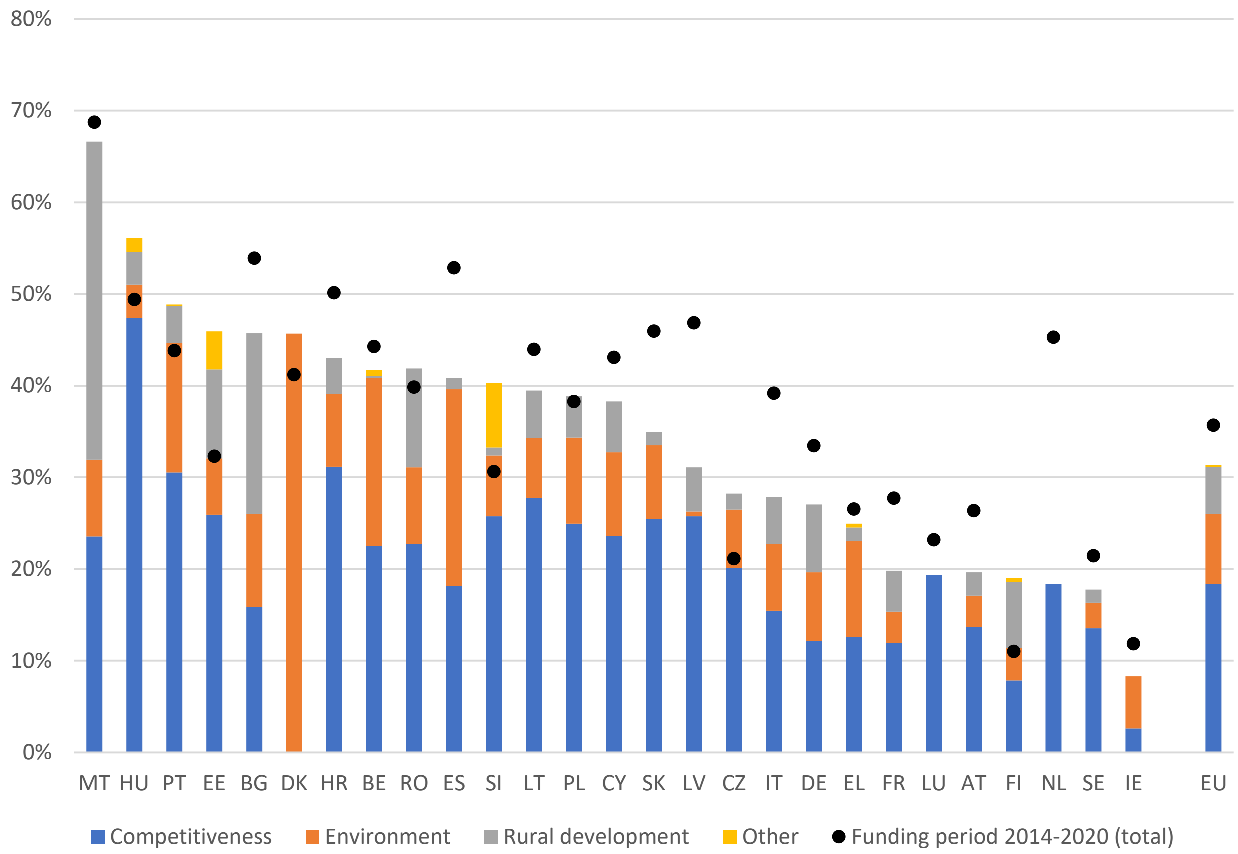
Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

Compensation payments for natural or other area-specific disadvantages can still be counted towards the minimum allocations for environmental and climate-related objectives under the second pillar (now 35 %) but, in the new funding period, only half of the total amount will be considered (there have been considerable doubts for some time about the environmental effects). To what extent this has contributed to the relative decline in funding for compensation payments is merely a matter of speculation, however. The Member States themselves report values far beyond the 35 percent mark in their financial tables. Thus, in principle, the reduced eligibility is unlikely to have had an impact on the decision to grant compensation payments under the second pillar but, in isolated cases, such as Bulgaria or Greece, which are only just above the mark, it might have played a role. It should also be remembered that the maximum EU contribution rate has fallen from 75 % to 65 % and so budgetary considerations could be a reason to reduce the share of compensation payments.

5.4.2.3 Investments

Although investments account for a relative majority of the public funds under the second pillar, they are becoming noticeably less important, compared with the current funding period, reducing in share from 35.8 % to 31.2 %. Declining developments can be seen in 18 Member States, with some very drastic decreases occurring in Slovakia, Italy, Spain, Latvia and the Netherlands (see Figure 18). In the new funding period, investments will account for less than 20 % of second pillar funding in six Member States. At the other end of the scale, Malta (66.6 %) and Hungary (56.1 %) have very high shares of investment.

Figure 18: Share of planned public funding for investments under the second pillar by target area



Notes: Values for the new funding period have been calculated from financial estimates for interventions under Articles 73 and 74 SPR; values for the 2014–2020 funding period have been calculated from financial estimates for measure categories M3, M4, M5, M7, M8 and M21.

Source: Authors' own representation, based on CAP strategic plans submitted and COM, 2022b.

Investments can serve very different purposes. The three broad target areas are competitiveness (primarily in the agricultural sector), environment and rural development. A majority (59.2 %) of investments are intended to benefit competitiveness, while almost a quarter (24.7 %) are earmarked for environmental goals. Rural development accounts for 15.4 %, and the remaining investments are mainly dedicated to animal welfare.

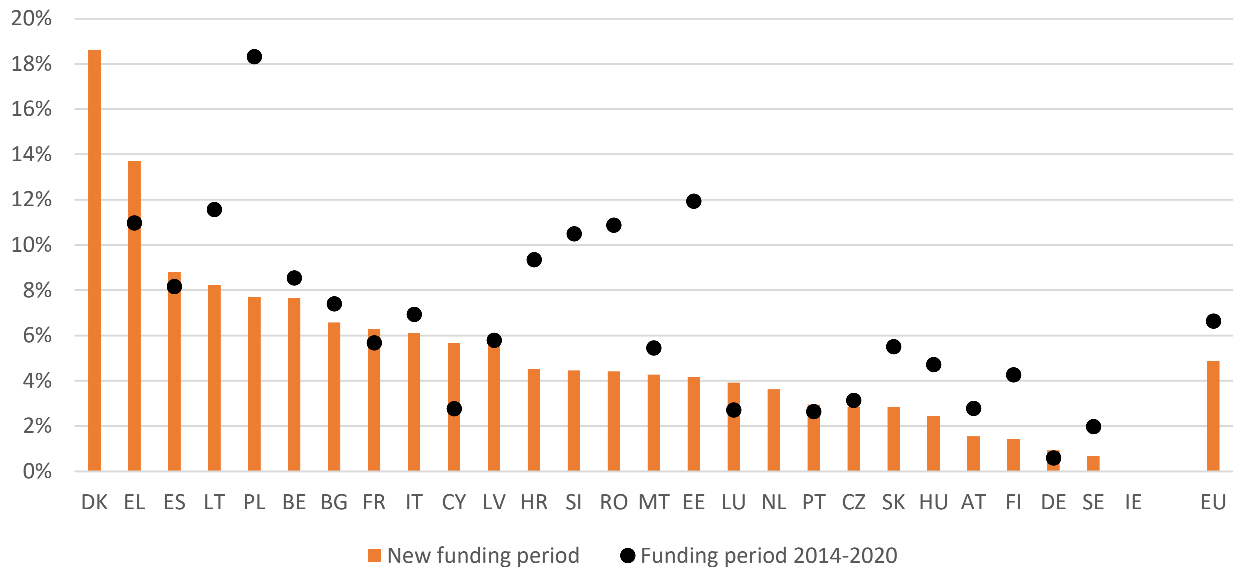
The Member States differ in their allocations to these three target areas, however. In most cases, competitiveness tops the list of importance. Luxembourg and the Netherlands plan to allocate all investment funds to this target area whereas, in 18 other Member States, it accounts for more than half of the funds. Only Germany, Spain, Finland, Malta, Bulgaria, Ireland and Denmark earmark less than half of their investment funds for competitiveness – in fact, Denmark has allocated none at all, as it is intended that Danish investments will serve environmental goals only. Ireland and Spain have also earmarked very high shares for environmental investments. Malta, Bulgaria and Finland are notable for their plans to invest in rural development. Germany has one of the most balanced distributions across the three target areas.

For investments, too, adjustments have been made to the maximum EU contribution rate: from 63–75 % to 60 % in transition regions and from 53 % to 43 % in developed regions. This means that more national co-financing must be provided for these measures. Only the participation rate for non-productive investments remains unchanged, at 80 %. This new scale may have played a role in the planning decisions.

5.4.2.4 Setting-up of young farmers and new farmers and rural business start-up

Support for agricultural and non-agricultural business start-ups is also declining in relative importance under the second pillar. Overall, the share in the current funding period was 6.6 %. In the new plans, it is only 4.9 % and is trending down in 17 Member States (see Figure 19). The most notable exception is Denmark, which will make a relatively large amount of funds available for this purpose under the second pillar, after not having any offers in the last funding period. Greece also reports an increase from a high starting level. Ireland remains the only Member State without such funding in the EAFRD. In general, the bulk of support is directed at farmers. Only Austria, Italy and France offer start-up support for enterprises outside agriculture and forestry.

Figure 19: Share of planned public funding for establishment and start-up grants under the second pillar



Note: Values for the new funding period have been calculated from financial estimates for interventions under Article 75 SPR; values for the offers 2014–2020 funding period have been calculated from financial estimates for measure categories M6.

Source: Authors' own representation, based on CAP strategic plans submitted and COM, 2022b.

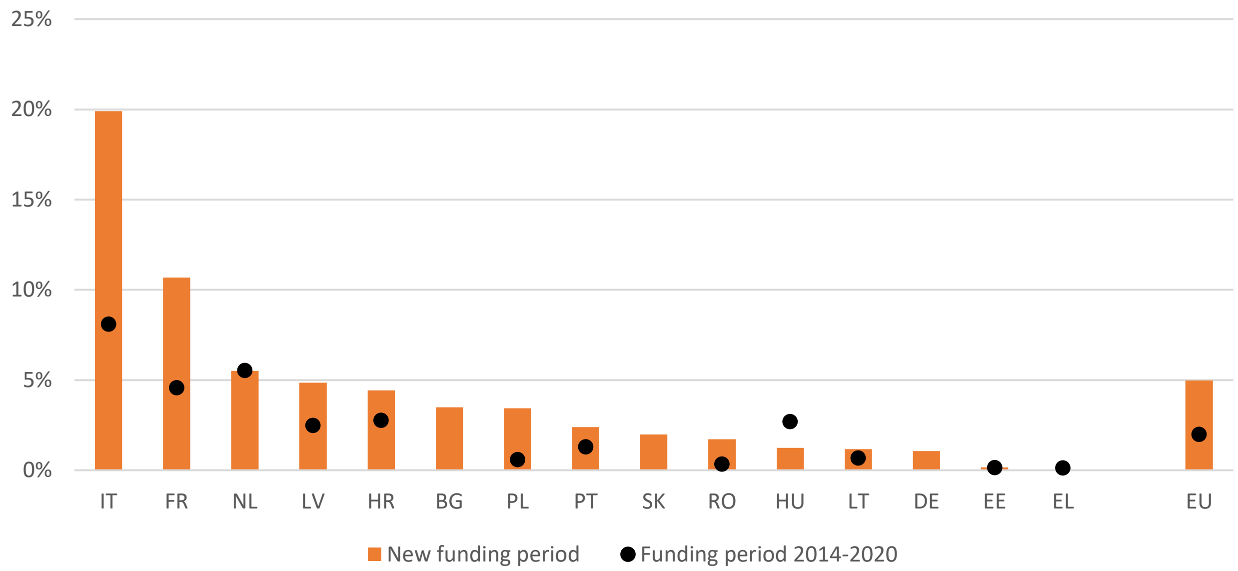
It should be remembered that Annex XII SPR specifies a minimum amount of EU funds to be reserved for the support of young farmers, namely 3 % of the direct payment budget of each Member State. Under Article 95 (1) SPR, the instruments to be used are either the income support for young farmers under the first pillar or the setting-up aid described here or both.[22]

[22] Investment support, especially for young farmers, can also be counted, but this plays hardly any role in practice.

5.4.2.5 Risk management systems

The Commission's proposal for the SPR included an obligation on Member States to support risk management systems. Both the European Parliament and the Council were against this, so it is only optional under Article 76 SPR.[23] 14 out of 27 Member States support risk management systems within their strategic plans. Italy and France make the most provision, with this intervention category respectively having a 20 % and 11 % share of second pillar funds (see Figure 20). In the other Member States, the shares are significantly lower. Overall, risk management in second pillar funds has increased its share from 2 % to 5 %, mainly due to growth in Italy and France.

Figure 20: Share of planned public funding for risk management systems under the second pillar



Notes: Values for the new funding period have been calculated from financial estimates for interventions under Article 76 SPR; values for the 2014–2020 funding period have been calculated from financial estimates for support measures of measure category M17.

Source: Authors' own representation, based on submitted CAP strategic plans and COM, 2022b.

Support for risk management is not limited to the second pillar, however. Article 19 SPR stipulates that up to 3 % of the direct payments to be granted to a farmer may be converted into a contribution to a risk management instrument. Three Member States avail of this option: Italy and Romania at the maximum rate of 3 % and Bulgaria at 1.5 %. Italy equips a national mutual fund with these funds, complemented by the EAFRD funds described above, so that all farms in receipt of direct payments receive basic mutual insurance against weather and climate disasters to provide an initial safety net.

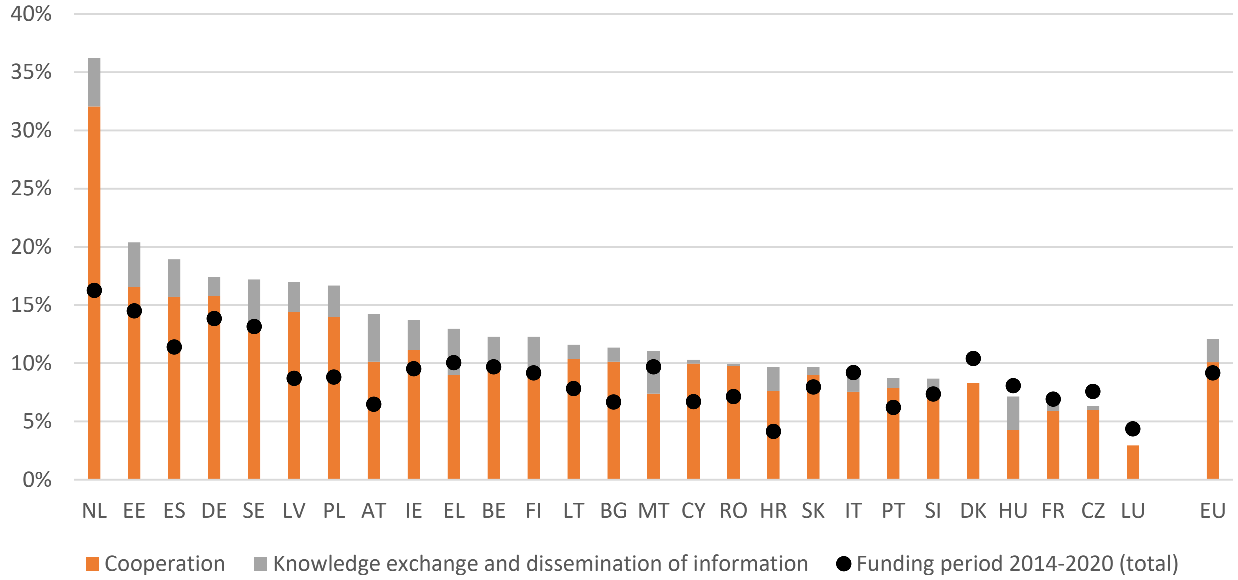
5.4.2.6 Cooperation, knowledge exchange and dissemination of information

This intervention category is also growing in relative importance under the second pillar: its share of funding will increase from 9.2 % to 12.1 % in the coming funding period. More than 80 % of this share pertains to cooperation measures (see Figure 21), which also account for a large part of the growth. The expansion of cooperative agri-environment-climate-measures in the Netherlands is particularly noteworthy. In the remaining Member States, the figures are essentially based on LEADER and EIP.

[23] Furthermore, there is the possibility of offering risk management systems within the framework of sectoral interventions.

In the field of knowledge exchange and dissemination of information, Sweden, the Netherlands and Austria stand out, with each of these Member States earmarking four or more percent of their public funds under the second pillar for these purposes. Denmark and Luxembourg, by contrast, do not offer any such support under the CAP.

Figure 21: Share of planned public funding for cooperation, knowledge exchange and dissemination of information under the second pillar

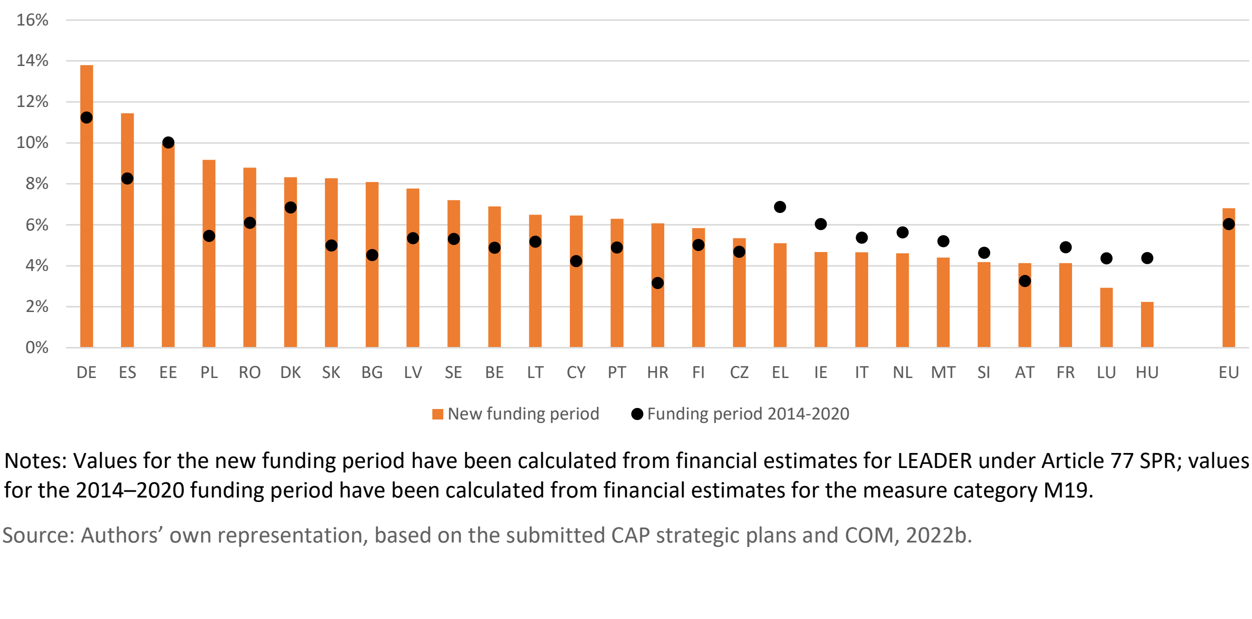


Notes: Values for the new funding period have been calculated from financial estimates for interventions under Articles 77 and 78 SPR; values for the 2014–2020 funding period have been calculated from financial estimates for support measures of measure category M1, M2, M9, M16, M19.

Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

LEADER has played a central role in rural development policy at European level since the 1990s. As in the current funding period, at least 5 % of the EU funds under the second pillar are to be earmarked for this measure. Some Member States – including Austria, Ireland and France – do not go beyond this minimum. As a result, LEADER is of comparatively little significance there. Others, however, especially Germany, Spain and Estonia, rely heavily on it. Overall, LEADER experiences a slight increase in importance in terms of its share of 2nd pillar funds, compared with the 2014–2020 funding period (see Figure 22).

Figure 22: Share of planned public funding for LEADER under the second pillar



Notes: Values for the new funding period have been calculated from financial estimates for LEADER under Article 77 SPR; values for the 2014–2020 funding period have been calculated from financial estimates for the measure category M19.

Source: Authors' own representation, based on the submitted CAP strategic plans and COM, 2022b.

6 Strategic approaches and target areas

The analyses presented in the previous chapters focused on the instruments available under the two CAP pillars. In the following chapter, the emphasis is on the strategic approaches and objectives to be pursued under the CAP Strategic Plan as a whole.

6.1 Analytical framework

There are four strategic funding approaches, based on target groups: (1) the agricultural sector, (2) the forestry sector, (3) non-agricultural business development, and (4) services of general interest/(environmental) infrastructure.

(1) All EAGF interventions address the agricultural sector, as do interventions from the EAFRD that are directly or indirectly targeted at agricultural holdings and are intended to improve income, competitiveness, position in the value chain or environmental performance, and animal welfare.
(2) Some interventions (primarily financed by EAFRD) are also directed at the forestry sector, through both area-based payments and investments. To a minor extent, there are also cooperative interventions or advisory services that address the forestry sector. First-afforestation is also considered here.
(3) The third strategic approach groups together investments outside agriculture and forestry. All EAFRD interventions that address farms outside the primary sector or create new businesses are considered here, as well as diversification measures or investments in processing and marketing.
(4) The fourth strategic approach includes EAFRD interventions for improving services of general interest and infrastructure, including environmental infrastructure, in rural areas. The focus here is on improving the quality of life for the population in rural areas. The main beneficiaries are local authorities, local action groups, associations and other actors in rural development.

In addition to strategic approaches, interventions are assigned to objectives. Article 6 SPR distinguishes ten objectives. These objectives are grouped into eight target areas for the following analysis (see Table 6).

Table 6: Target areas

Our target areas	Specific CAP objectives (Article 6 SPR)	Note
Income	A	Some Member States have classified coupled income support under Objective 2 “Competitiveness”. In our assessment, coupled income support is primarily an instrument for income compensation and not an instrument that contributes in the medium-to-long term to increasing the competitiveness of the respective supported production mode. Therefore, we have generally assigned them to the “Income” target area. We have also allocated the compensation payments (Articles 71 and 72) in their entirety to this target area.
Strengthening the competitiveness and position of agriculture in the value chain	a, b, i partial	The sectoral interventions have been allocated in their entirety to this target area, as well as the quality schemes partly programmed under objective i.
Resource protection	d, e, f, i partial	Environmental measures often have multiple effects. Some Member States have very broad objectives, while others are more focused. It was not possible to differentiate between the objectives in all cases.

Our target areas	Specific CAP objectives (Article 6 SPR)	Note
		Therefore, we have grouped environmental objectives under one target area.
Generational change	G	
Rural development	H	
Animal welfare	i partial	Only the animal welfare interventions were left in this target area. The other interventions assigned to objective i in the strategy plans have been assigned to either resource protection or competitiveness.
Cooperation, training, advisory services	Cross-cutting objective q	The interventions that were assigned to the cross-cutting objective have been partially assigned to the respective target area. Only broad-based educational, advisory and cooperative measures (such as the European Innovation Partnership) have been assigned to the target area “Cooperation, training, advisory services”.
Organic farming	i partial	Reported separately

Source: Authors’ own representation.

Target allocation could only be approximated, as Member States have taken very different approaches to programming. Some Member States have programmed so-called “elephant interventions”. These are either assigned to several objectives or, for pragmatic reasons, to just one objective. However, financial planning is based on so-called unit amounts. Some examples are provided below to illustrate the concept of unit amounts.

- Ireland has an eco-scheme with eight fields of activity targeting climate, water and biodiversity. However, there are differences in the extent to which the fields of activity contribute to the various objectives. These eight activity fields are based on a unit amount and thus also only one budget line. Against this background, it was decided not to treat the environmental objectives separately.
- Germany has programmed a single investment intervention for farms and assigned it exclusively to objective b “competitiveness”. However, the text also mentions other objectives addressed by this intervention, such as “climate protection”, “animal welfare”, and “preservation of the cultural landscape”. Romania has also programmed an investment intervention for farms, but has assigned it to objective b, to the environmental objectives d and e, and to the cross-cutting objective q. Yet, again, there is only one unit amount and thus no way to assign financial amounts to the different objectives. In this case, we have opted for the main objective b and allocated the finances in their entirety to the target area “strengthening the competitiveness and position of agriculture in the value chain”, even if this means that environmentally related contributions are underestimated.
- Some Member States, e.g. Portugal, on the other hand, have designed more interventions and, for example, programmed productive and non-productive interventions separately and highly systematically. This makes it easier to allocate finances to objectives.

The allocation of funds to targets on the basis of the present structure of the CAP strategic plans is only possible with the aid of exclusive target allocations. This will lead to under- or over-estimation of target areas. Due to the structure of the plans, there is no alternative if the goal is to estimate financial priorities. The Commission faces the same problem in its summary of the findings on its opinions (COM, 2022a). Furthermore, we have harmonised different allocations of comparable interventions by the Member States to objectives, e.g. in the case of decoupled direct payments or compensation payments.

6.2 General overview

6.2.1 Strategic approaches

As measured by the share of public funds, most interventions are dedicated to the agricultural sector. Around 93 % of the funds flow directly or indirectly to farms (see Table 7). In most cases, farms are also the beneficiaries, with the exception of a few interventions. Ireland, Luxembourg and Belgium provide support almost exclusively in the agricultural sector. The forestry sector accounts for about one percent of public funding. Hungary, Malta and Portugal attribute the most weight to the forestry sector, at around five percent of planned public funds. Business development outside agriculture is to be supported with two percent of public funds. Some Member States plan somewhat higher public funding, such as Bulgaria and Estonia, at seven percent.

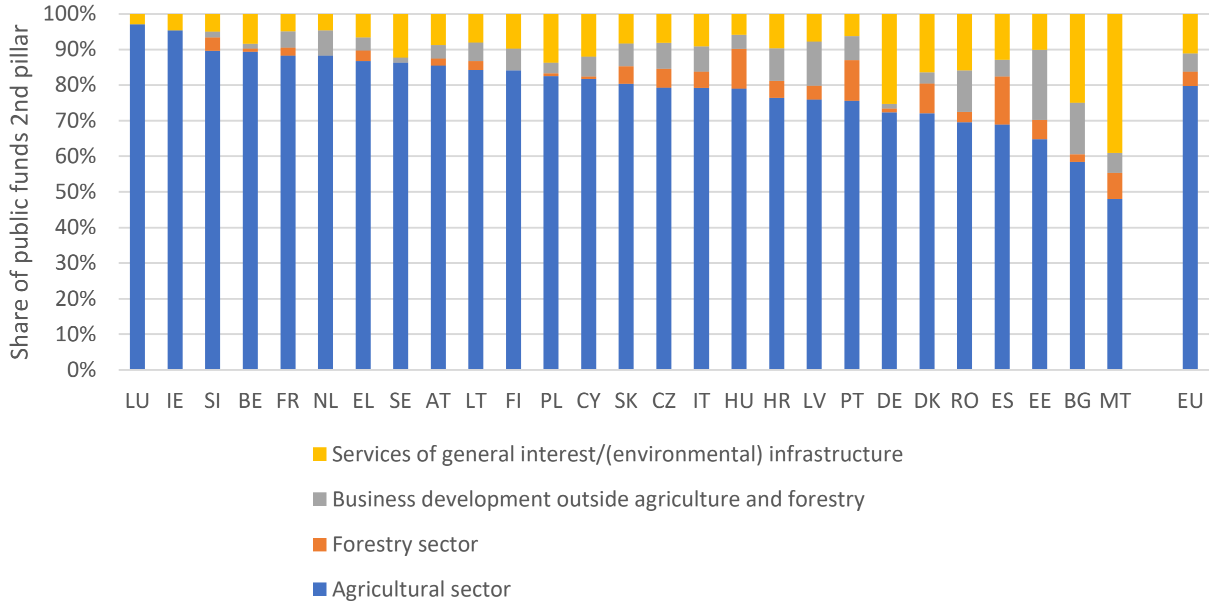
Table 7: Funding strategy of all CAP strategic plans (share of planned public funding)

Strategic funding approach	Share of planned public funding		
	CAP Strategic Plan	1st pillar of the CAP	2nd pillar of the CAP
Agricultural sector	93%	100%	80%
Forestry sector	1%	0%	4%
Business development outside agriculture and forestry	2%	0%	5%
Services of general interest, (environmental) infrastructure	4%	0%	11%

Source: Authors' own representation, based on the submitted CAP strategic plans.

The dominance of the agricultural sector as an addressee of CAP support is primarily based on the EAGF, which targets that sector exclusively. However, the second pillar, too, focuses its interventions on the agricultural sector. Around 80 % of its public funds are earmarked for agricultural sectoral interventions. Four percent of the funds are to flow into the forestry sector, while five percent are to be used for business development outside agriculture. Eleven percent of the funds are set aside for interventions that support services of general interest and (environmental) infrastructure. Under the second pillar, however, there are greater differences in funding strategies among the Member States than under the first pillar (see Figure 23).

Figure 23: Share of funding strategies in planned public funding under the second pillar



Source: Authors' own representation, based on the submitted CAP strategic plans.

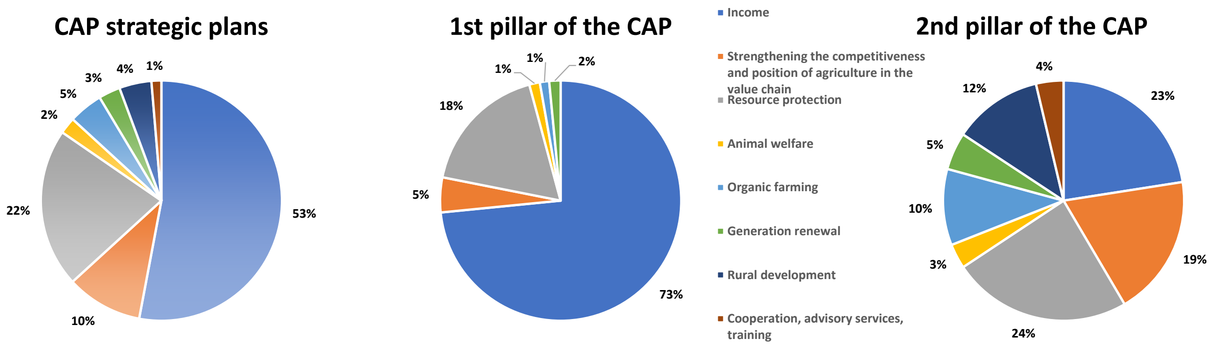
The Member States thus use the CAP primarily to support their agricultural sectors. Territorial development in a broader sense is not a focus of the CAP, not even in the second pillar, which (nevertheless) is often referred to as "rural development policy". This means that there are hardly any changes in funding strategy at EU level, compared with the planned figures for the 2014–2020 funding period. For this period, the share in the agricultural sector was 79 %. For the forestry sector and business development outside agriculture, four percent each were planned. 13 % of the public funds were to go into services of general interest and (environmental) infrastructure (COM, 2022b).

6.2.2 Target areas

With regard to the target areas, it is first necessary to recall the minimum requirements set out in the SPR. Of relevance to "resource protection", "animal welfare" and "organic farming" are the minimum allocations for eco-schemes, namely 25 % of direct payment funds (Article 97), and the requirement to earmark 35 % of EAFRD funds for interventions aimed at specific environment- and climate-related objectives (Article 93 SPR) – the exemptions have already been pointed out. Furthermore, there is a cross-pillar requirement to spend three percent of direct payment funds (Article 95 SPR) on supporting generational renewal. Finally, under the second pillar, at least five percent of EAFRD funds must be used for LEADER (Article 92 SPR), a requirement of relevance to "rural development".

Figure 24 shows the share of funding across the eight target areas – for the strategic plans as a whole and for each pillar. Across the EU, "income" is in first place, at 53 % of public funds, followed by "resource protection", "animal welfare" and "organic farming", which together constitute 29 % and "competitiveness", at ten percent. The other target areas are less important. Under the first pillar, "income" comes first, followed by "resource protection", "animal welfare" and "organic farming". Under the second pillar, "income" is not as prominent as under the first pillar, and accounts for 22 % of public funds. "Resource protection", "animal welfare" and "organic farming" together are more important than under the first pillar, and are followed by "strengthening competitiveness". "Rural development" accounts for 12 % of public funds.

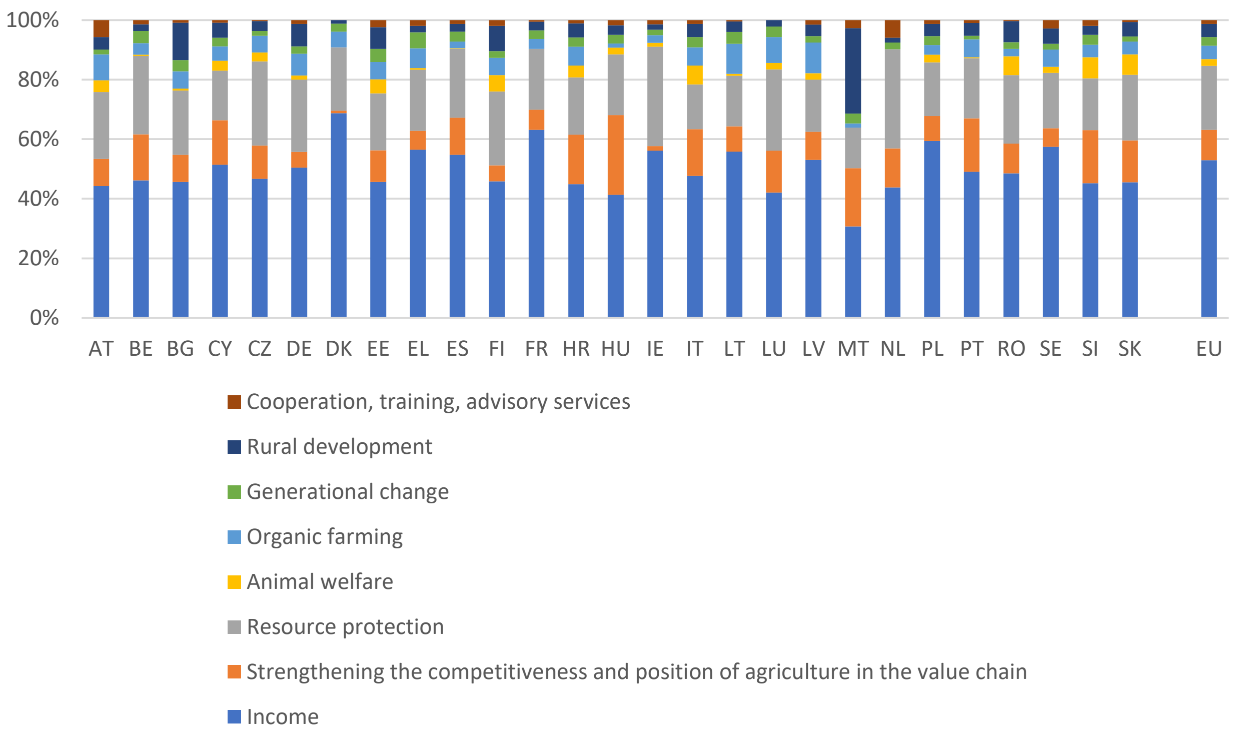
Figure 24: Overall distribution of planned public funding by target area



Source: Authors' own representation, based on the submitted CAP strategic plans.

In terms of the CAP strategic plans as a whole, "income" ranks most important in Denmark, at 69 % of public funds, followed by France, at 63 % (see Figure 25). After Malta, at 31 %, Hungary plans to spend the second-lowest amount of funds in this target area (41 %). Compared with the case in other Member States, "resource protection", "animal welfare" and "organic farming" together are most important in Luxembourg, Ireland, the Czech Republic and Finland, accounting for around 37 % of all public funds. In relative terms, Malta allocates the least funds (15 %), followed by France, Poland, Cyprus and Hungary, at around one-quarter of public funds.

Figure 25: Distribution of planned public funding across target areas by Member State



Source: Authors' own representation, based on the submitted CAP strategic plans.

Hungary plans to use 27 % of public funds to strengthen the competitiveness and position of agriculture in the value chain. This is the highest value. Denmark, Ireland, Germany and Finland use the least funds in this target area in relative terms, at between one and five percent.

Greece plans to spend five percent of its funds for generational change and Portugal, one percent.

In relative terms, “rural development” accounts for the largest share in Malta, at 29 % of public funds, followed by Bulgaria, at 13 % and Finland, at 8 %. This target area is least important in Denmark, at one percent, and in Belgium, Greece, Ireland, Luxembourg and the Netherlands, at two percent each.

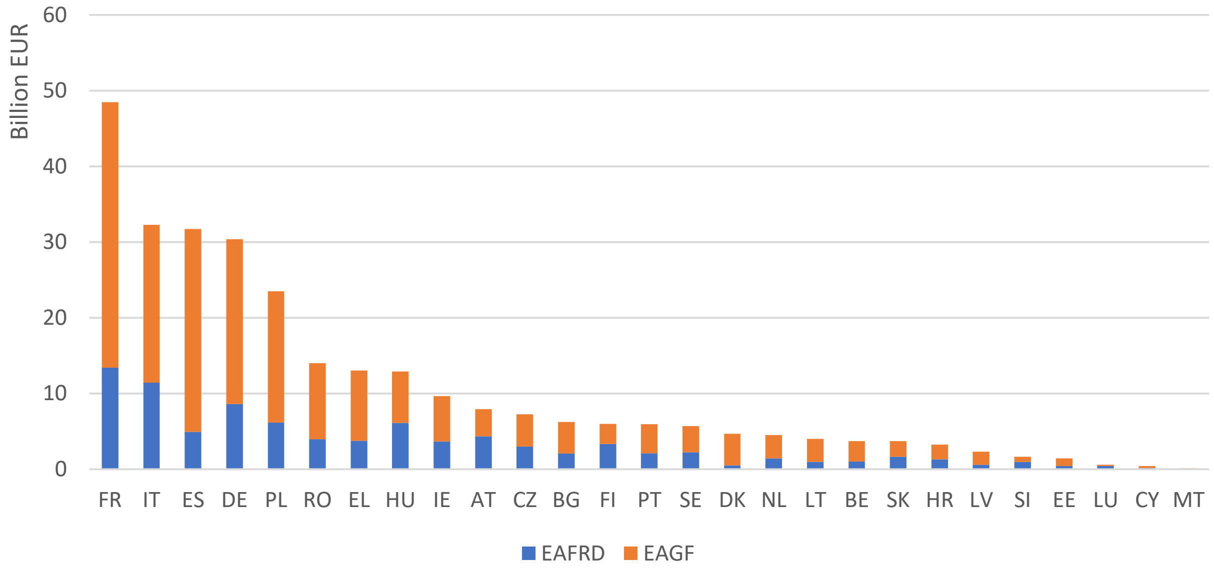
“Cooperation, training, advisory services” is not addressed as a separate target area in some Member States. Austria and the Netherlands, on the other hand, allocate six percent of their public funds to it.

6.3 Agricultural sector

6.3.1 Financial scope and funding intensity

The “agricultural sector” funding strategy under the first and second pillars is shown in Figure 26. France allocates by far the most funds to the agricultural sector, followed by Italy, Spain and Germany, and then by Poland and Romania as the first eastern European Member States in the ranking.

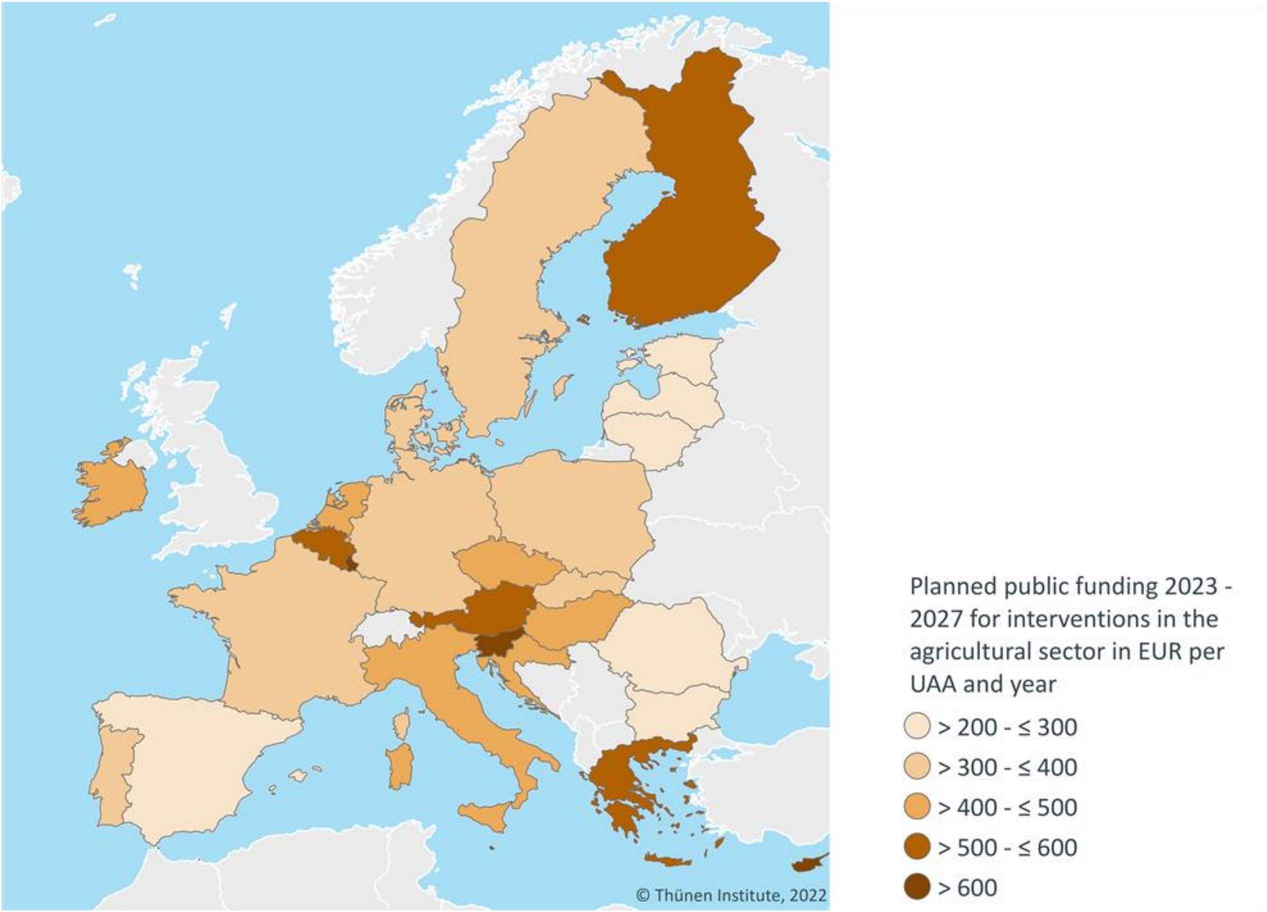
Figure 26: Planned public funding for EAFRD and EAGF interventions in the “agricultural sector”



Source: Authors’ own representation, based on the submitted CAP strategic plans.

As the Member States differ in size, we have expressed the planned public funds as a ratio of utilised agricultural area for better comparability. On average, the EU-27 will spend a total of €350 per hectare of utilised agricultural area annually in the 2023–2027 period (see Map 5). At just over €200 per hectare of UAA annually, the funding intensity in Romania is the lowest while the smaller Member States Luxembourg and Malta have the highest annual funding intensities, at €884 per hectare UAA and €1,730 per hectare of UAA respectively.

Map 5: Annual planned public funding for the agricultural sector in EUR per hectare



Source: Member States' submitted CAP strategic plans. © EuroGeographics 2022.

6.3.2 Target areas

Figure 27 shows the planned allocation of public funds to the agricultural sector by target area. “Income” accounts for the most public funds in the EU-27, at 57 %. Denmark accounts for the largest share, at 72 %, followed by France at 65 %, while Luxembourg and Hungary have below-average shares, at 43 % and 45 % respectively. At €31 billion, France allocates the most public funds to “income”, followed by Spain at around €19 billion.

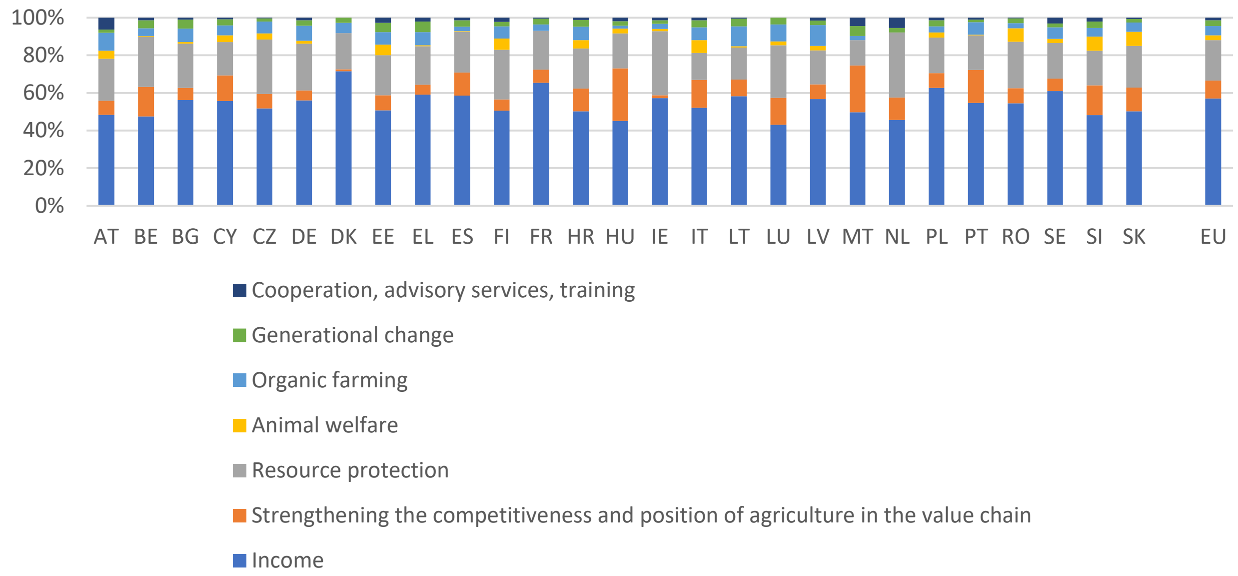
In second place come “resource protection”, “animal welfare” and “organic farming”, which together make up 29 % of public funding. Malta plans to allocate only 16 % of its funds to these areas, followed by Hungary at 23 %. In contrast, almost 40 % of funds are programmed in the Czech Republic, Finland, Ireland and Luxembourg. In absolute terms, France and Germany have allocated the most funds to these target areas, at around €12 billion and €10.5 billion respectively.

“Strengthening competitiveness and the position of agriculture in the value chain” is targeted by Hungary, with an allocation of 28 % of funds, followed by Malta, at 25 %. Denmark and Ireland invest the least, allocating one percent of funds.

Across the EU, three percent of planned public funding in the agricultural sector is earmarked for “generational change”. The relative shares range from one percent in Portugal to six percent in Greece. France and Italy provide the most public funds to support “generational change”.

“Cooperation, training, advisory services” accounts for one percent of planned public funds for the agricultural sector across the EU. Some Member States do not allocate any funds at all to this target area, while Austria earmarks six percent of its funds. In absolute terms, Austria and Italy have the highest values, at just under €500 million.

Figure 27: Share of planned public funding for the "agricultural sector" by target area



Source: Authors' own representation, based on the submitted CAP strategic plans.

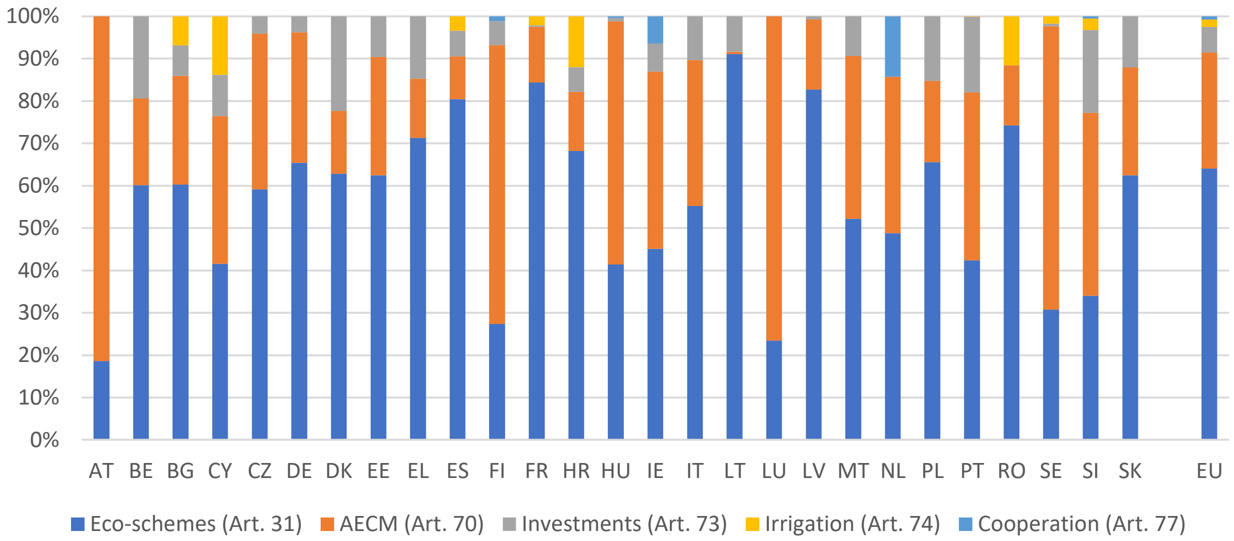
As the new funding period will start with the aim of making the CAP greener, the following section takes a closer look at the target areas of "resource protection", "animal welfare" and "organic farming", and presents the various intervention categories that address the respective target areas.

6.3.2.1 Resource protection

Overall, area-based funding approaches predominate in "resource protection". Some 64 % of the public funds planned in this respect are provided by the eco-schemes of the first pillar, and 27 % by the agri-environment-climate measures of the second pillar. Only in Austria, Finland, Hungary, Luxembourg, Sweden and Slovenia is the share of public funding for eco-schemes lower than that for agri-environment-climate measures under pillar 2 (see Figure 28).

Investments (including irrigation) account for eight percent of planned public funding, and cooperation has a share of one percent. Investments play a somewhat larger role in Belgium, Denmark and Slovenia, at around 20 %. Investments in irrigation systems focused squarely on resource conservation are offered by Cyprus, Croatia and Romania. Among cooperative approaches, the Netherlands stands out, at 14 % of public funding.

Figure 28: Share of planned public funding for “resource protection” in the agricultural sector by intervention category



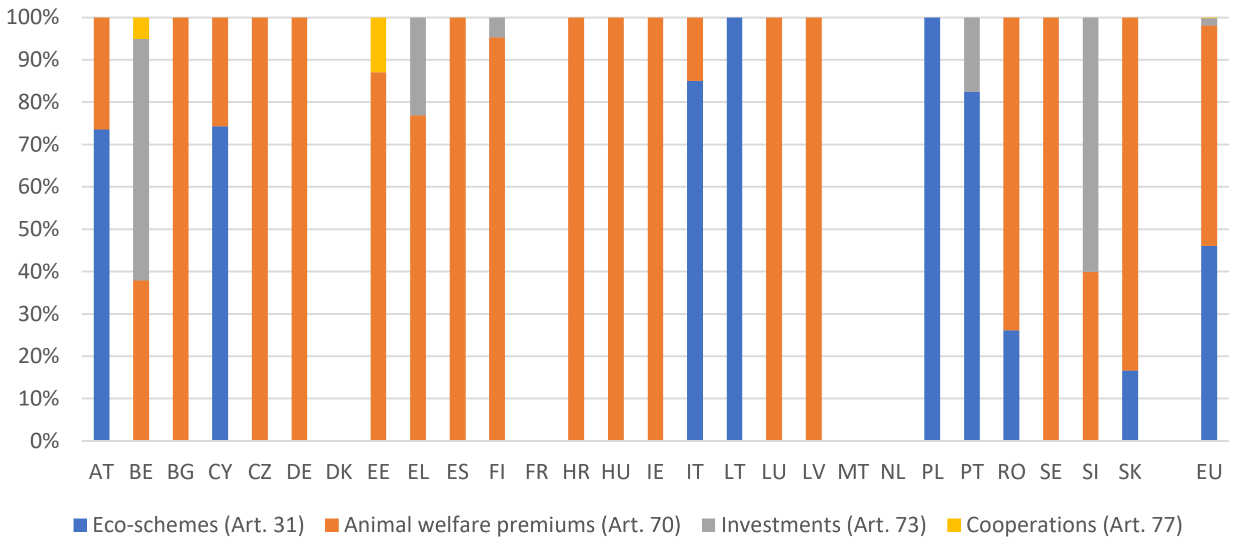
Note: Articles in brackets refer to the SPR.

Source: Authors’ own representation, based on the submitted CAP strategic plans.

6.3.2.2 Animal welfare

Not all Member States offer intervention targeted at animal welfare (see Figure 29). Four Member States (Denmark, France, Malta and the Netherlands) have refrained from addressing this target area through EU interventions. Some 46 % of public funds programmed under this target area come from eco-schemes, while 52 % are animal welfare premiums under Article 70 SPR. Two percent are investment measures. Cooperative interventions are only offered by Belgium (animal welfare label) and Estonia (cooperation on animal disease control).

Figure 29: Share of planned public funding for “animal welfare” in the agricultural sector by intervention category



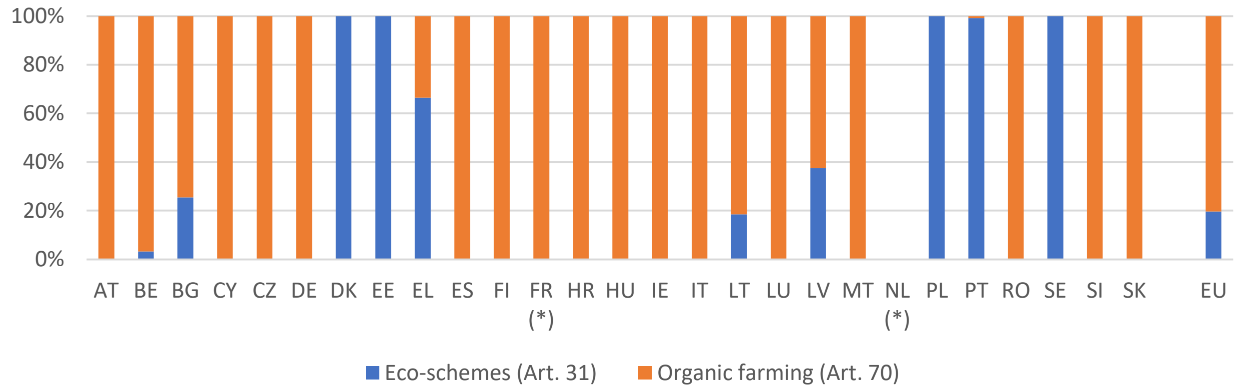
Note: Articles in brackets refer to the SPR.

Source: Authors’ own representation, based on the submitted CAP strategic plans.

6.3.2.3 Organic farming

As part of the Green Deal, the EU has set a target of 25 % organic area of utilised agricultural area by 2030. Organic farming is supported in all Member States, mainly through area payments (see Figure 30). Only a few Member States also offer intervention for livestock production on organic farms. Across the EU, 20 % of organic payments originate from first pillar eco-schemes, with the rest coming from the second pillar under Article 70 SPR.

Figure 30: Share of planned public funding for "strengthening organic farming" in the agricultural sector by intervention category

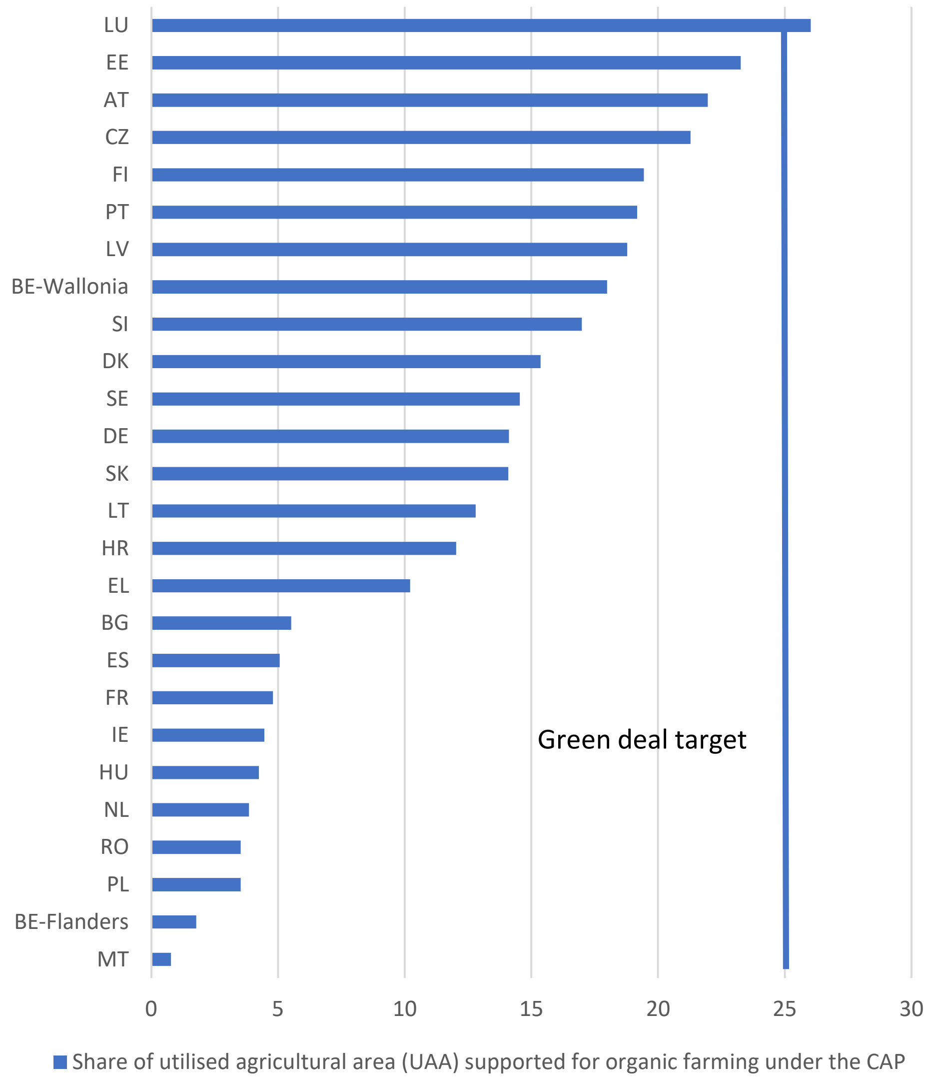


Note: (*) The Netherlands and France support organic farming in the first pillar without a separately identified financial amount. Articles in brackets refer to the SPR.

Source: Authors' own representation, based on the submitted CAP strategic plans.

With regard to support for organic farming, the result indicator R.29 is to be quantified in the CAP strategy plans. This indicates the share of utilised agricultural area (UAA) supported by the CAP for organic farming (see Figure 31). In many Member States, the set target is still far short of the target share of 25 % of UAA laid down in the Green Deal. The CAP targets also deviate from the national targets that exist in many countries; Germany, for example, has a target of 30 %, but its CAP strategy plans fail to adequately describe which instruments outside the CAP are to be used (see explanations in IFOAM, 2022).

Figure 31: Targets for organic farming support under the CAP strategic plans and the 25 % target set out in the Green Deal



Values for Cyprus and Italy are missing from the CAP strategic plans.

Source: Authors' own representation, based on the submitted CAP strategic plans.

Area payments are not the only instrument available in the CAP to support organic farming. Member States may, for instance, grant special consideration to organic farms in investment support or specifically support processing and marketing of organically produced products. They can also use training and advisory services or the European Innovation Partnership to support organic farming. The strategic plans do, however, not systematically deal with the implementation of these measures, for instance through selection criteria, making it difficult to estimate the overall efforts to support organic farming; further research is thus needed when the new funding period begins.

6.4 Forestry sector

The forestry sector is predominantly supported under the second pillar of the CAP. Approaches within the framework of the eco-schemes of the first pillar are rare. As a proportion of the total planned public funds of the CAP, about one percent is available to the forestry sector. At six percent, the share is largest in Hungary, followed by Malta and Portugal, at five percent each. Finland is the only Member State that does not offer any intervention in the forestry sector.

Across the EU, “resource protection” is the most important target area, accounting for 75 % of public funding in the forestry sector. This is followed by “competitiveness”, at 19 %. Budget allocated to “income” accounts for 7 % EU-wide. Nine Member States provide compensatory payments for restrictions arising under Natura 2000. Hungary and Italy support generational renewal and the establishment of new enterprises in the forestry sector. Portugal alone pursues the target area of improving the knowledge base through advisory measures.

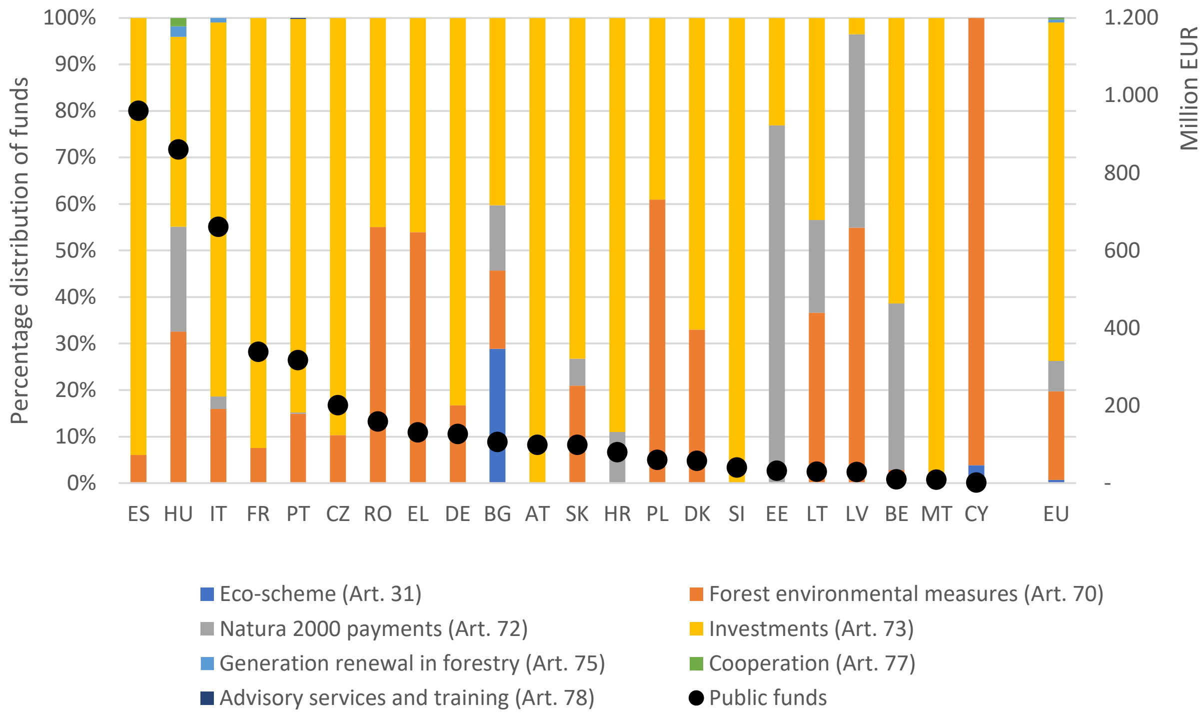
Figure 32 shows the public funds planned for the forest sector by type of intervention. EU-wide, most of the money will be used for investments (€3.21 billion), followed by forest environment measures (€840.61 million), and Natura 2000 compensation (€288.15 million). In order to protect forest areas, investments are being made in the environment and climate as well as in forest development and forest resilience. In this context, explicit measures for afforestation, prevention of forest fires and natural disasters are aimed at strengthening resilience.

Spain invests the highest total amount in the forestry sector with a total of €960.42 million. Investment projects receive 94 % of the funding, followed by forest environmental measures. Hungary supports the forestry sector with a total of €860.89 million. It supports the forest sector particularly through investments (41 %), followed by forest environmental measures and compensation payments. The third-highest support for the forestry sector comes from Italy (€661.79 million in total). Investments in the forestry sector in Italy account for 80 %, followed by forest environmental measures and Natura 2000 payments.

The scope of forestry support under the CAP strategic plans is essentially linked to the 2014–2022 rural development programmes. In the current funding period, Spain provides the most support to the forestry sector (€2.08 billion), followed by Italy (€1.43 billion) and Portugal (€527 million). (European Commission, Directorate General for Agriculture and Rural Development und Alliance Environnement, 2017).

There are other types of intervention that support the forest sector, but just a few Member States avail of them. Only Bulgaria and Cyprus use the eco-schemes for silvicultural support, on the one hand for promoting forest biodiversity and, on the other, for fire-protection measures. Hungary and Italy support generational renewal in forestry enterprises and the establishment of new enterprises. Hungary is investing €19.18 million and Italy, €6.25 million. Cooperation in the forestry sector is supported exclusively by Hungary, at €15.78 million. Portugal invests €0.66 million in knowledge exchange.

Figure 32: Planned public funding for the "forestry sector", in total and by share of intervention category



Note: Articles in brackets relate to the SPR.

Source: Authors' own representation, based on the submitted CAP strategic plans.

6.5 Business development in rural areas outside agriculture and forestry

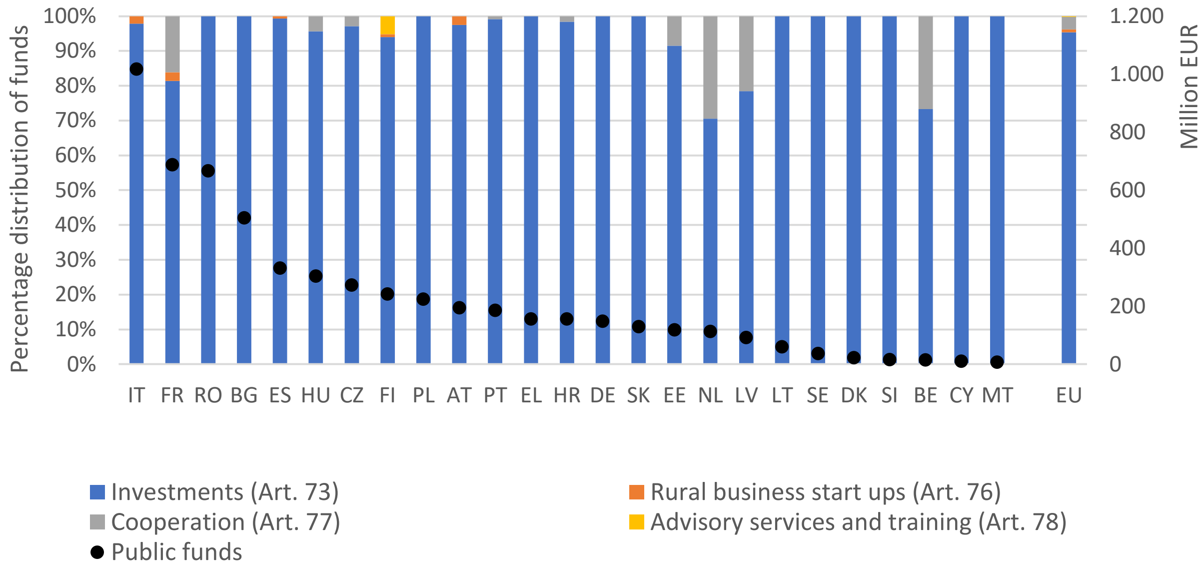
Business development outside agriculture and forestry is supported exclusively under the second pillar. Although it is not a focus of the CAP, there are nevertheless opportunities to support economic development in rural areas beyond primary production, be it through strengthening the food economy, non-agricultural diversification or the creation of new enterprises. As a proportion of the total public funds of the CAP, about two percent are available for this business development. At seven percent, the share is largest in Bulgaria and Estonia.

Figure 33 shows the public funds planned for business development outside agriculture and forestry by type of intervention. Across the EU, the most money is allocated to investments, at €5.45 billion, followed by €204 million for cooperation and €49 million for the establishment of new enterprises.

Italy invests the highest total amount in business development, at a total of €1.02 billion. The country supports 98 % of business development through investment, followed by 2 % start-up-support for new enterprises. France is the second most important promoter of business development, at €688 million. Here, 82 % of the public funds are used for investments, followed by cooperation and the creation of new enterprises. Romania is the third most important promoter of business development, at €667 million, provided exclusively through investment.

Business development in rural areas through investment is supported most by Italy, at €995 million, followed by Romania, at €667 million. Business start-ups are supported most by Italy, at €22 million, followed by France, at €16 million. Cooperation is funded most by France, at €111 million. Knowledge exchange is supported exclusively by Finland, at €12.5 million.

Figure 33: Planned public funding for "business development outside agriculture and forestry", in total and by share of intervention category



Note: Articles in brackets relate to the SPR.

Source: Authors' own representation, based on the submitted CAP strategic plans.

6.6 Services of general interest/rural infrastructure/environmental infrastructure

This funding strategy focuses on municipalities, private households, associations and other actors in rural development. It concerns projects of general interest, the improvement and expansion of infrastructure (e.g. rural roads) and also environment-related infrastructures, such as flood protection.

The strategy is pursued exclusively under the second pillar. In terms of the total planned public funds of the CAP, about four percent of the funds are available for this. The share is highest in Malta, at 29 %, followed by Bulgaria and Germany, at eleven and nine percent respectively. France plans only minor use of public funds, at one percent.

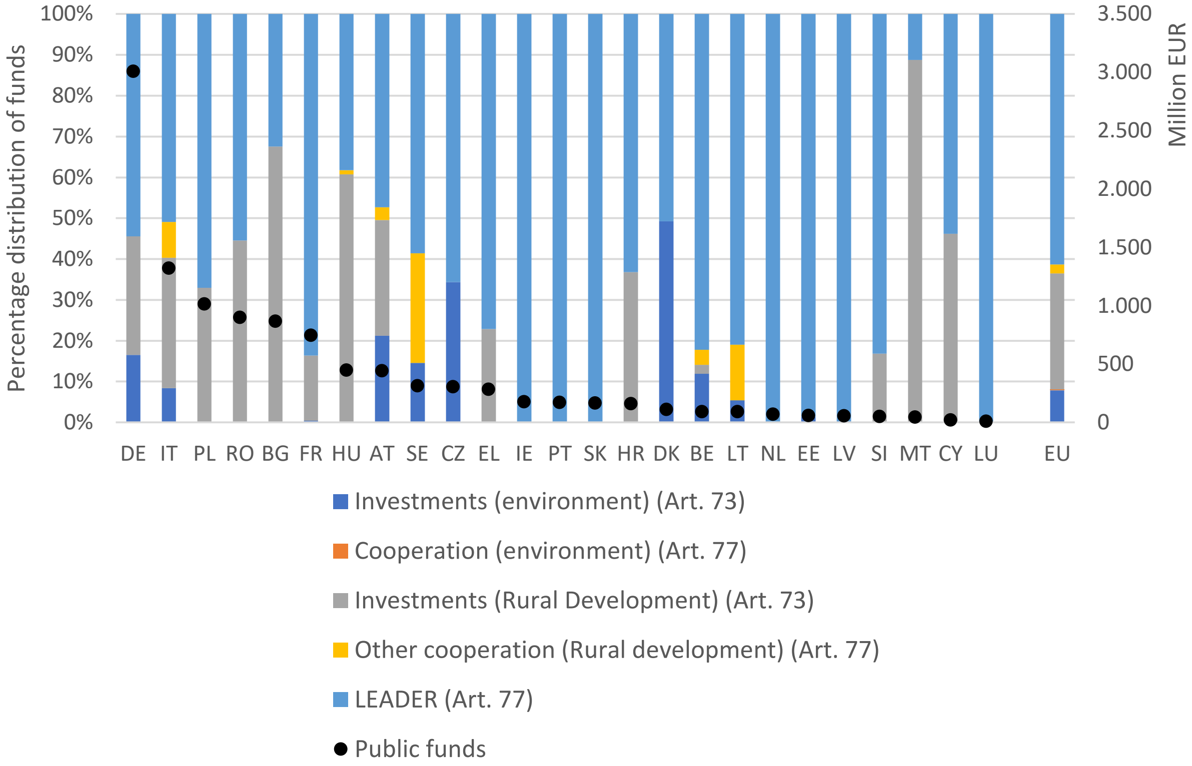
Two target areas are addressed by this funding strategy: "resource protection" and "rural development". The latter accounts for most of the public funds (92 %).

Figure 34 shows the planned funds for this funding strategy by type of intervention. Across the EU, the most money is allocated to LEADER, at €7.4 billion, followed by €967 million for environmental investments and €407 million for other rural cooperation.

Germany invests the highest total amount, at €3.01 billion. Some 54 % of the funds are earmarked for LEADER, followed by investments in rural development and environmental investments. Italy has the second highest total, at €1.32 billion, investing 51 % in LEADER, 32 % in investments and 9 % in other rural cooperation. Poland invests the third highest total amount, at €1.02 billion, and supports LEADER particularly strongly, at 67 %, followed by investments in rural development. There are six Member States that would not use any funds at all for this funding strategy if it were not for the obligation to offer LEADER and fund it at a minimum rate of five percent of EAFRD funds. They are Ireland, Slovakia, the Netherlands, Lithuania, Portugal and Luxembourg.

The highest amounts allocated to environmental investments are reported by Germany, at €499 million, followed by Italy, at €111 million. Environmental cooperation is supported by Finland, at €18 million, and Spain, at €11 million. The highest amount of investment in rural development is made by Germany, at €872 million. The second highest amount is invested by Bulgaria, at €588 million. Germany invests the most in LEADER, at €1.64 billion, followed by Spain, at €814 million.

Figure 34: Planned public funding for the funding strategy "services of general interest/(environmental) infrastructure", in total and by share of intervention category



Note: Articles in brackets refer to the SPR.

Source: Authors' own representation, based on the submitted CAP strategic plans.

7 Conclusion

The task of surveying the state of planning for the 2023–2027 CAP funding period presents a challenge. Ten specific objectives are being pursued with the help of 15 intervention categories – excluding sectoral interventions – and under two pillars that have different functional logics. Implementation proceeds through 28 strategic plans, which are differentiated to varying degrees. This Working Paper has sought to structure this diversity and provide an overview of the envisaged design and priorities of CAP implementation within the Member States.

The results should be treated with a degree of caution insofar as the strategic plans examined are still subject to changes until final approval has been given by the European Commission – especially against the background of the war in Ukraine and its effects, as stressed by the Commission in its preliminary comments (COM, 2022a). It should also be borne in mind that the figures refer to the planned use of funds and that the actual uptake of interventions is likely to differ by varying degrees, depending on the intervention.

However, it remains to be seen how far-reaching the changes in the approval process will be. After all, agreement on these drafts was quite difficult to reach in many Member States, and so many of them might be hesitant about re-opening negotiations. Even in the event of changes or differences between plan and practice, the results presented here should remain important, as they reveal fundamental preferences of Member States that are likely to be relevant to future CAP reforms.

The submitted strategic plans reveal some familiar patterns, but also some new phenomena. The different levels of direct payment funds allocated by the “old” and “new” Member States are well known, and although they are converging (external convergence), they are by no means aligned. Also, with few exceptions, the decisions on transfers between the pillars are similar to those of the current funding period. Finally, the preferred intervention categories as well as the primary funding approaches and target areas tend to follow previous funding periods in principle.

This does not mean that there are no changes. On the contrary, there are many shifts, which in total prove quite significant. Some of them stem from legal requirements. The introduction of eco-schemes under the first pillar obliges the Member States to fundamentally strengthen environmental and climate policy ambitions. The same applies, under the second pillar, to the increase in minimum allocations for environmental and climate purposes to 35 %, with a simultaneous reduction in the eligibility of compensation payments. The reduction in the maximum EU contribution rates for many interventions also increases the share of national co-financing.

Many changes, however, do not necessarily result from legal requirements, but rather can be attributed to individual Member States’ considerations. This applies to specific individual cases, such as the considerable expansion of funding for risk management in France and Italy under the second pillar or the particularly low EU contribution rate in Hungary, as well as countless smaller shifts in Member States’ planning, compared with the current funding period. The reasons for this are manifold: changed needs or preferences, budgetary considerations, a different funding landscape outside the CAP or changed government constellations. This Working Paper has made the implementation decisions visible; further research is needed to better understand them.

The results show great diversity in the approaches adopted under the two pillars. Under the first, direct payments continue to dominate, but are implemented very differently in the Member States. In addition, there is considerable variation in the scope and content of coupled payments and eco-schemes. Finally, the Member States also pursue different strategies for sectoral interventions in terms of resources and scope.

Diversity is also evident under the second pillar. The Member States attach different importance to the eight target areas we have identified. They also use the available intervention categories to varying degrees of intensity. What all strategic plans have in common is that support, under the second pillar as well, is primarily focused on the agricultural sector. Nevertheless, there are differences in the amount of funding flowing exclusively into the agricultural sector and in the objectives to be followed there. The results show that, based on financial data, the CAP is becoming greener, while rural development remains a niche topic. In both areas, however, there are clear differences among the Member States.

The strategic plans thus showcase a high degree of subsidiarity within the CAP – judging from the planned use of funds and ignoring the content of individual interventions. Subsidiarity has been a controversial subject for quite some time now, with critics referring to the "renationalisation" of the CAP. This Working Paper has provided further empirical foundations for such debates, without providing a normative assessment.

Despite common objectives and funding rules, the CAP thus remains largely shaped by Member State implementation. The Working Paper has, therefore, underlined the need to concentrate (more) on CAP decisions at national level. In addition to case studies, a comparative perspective, as applied here, is needed to identify overarching patterns as well as special cases.

The focus of future studies should, at the same time, be broadened to include other EU policy areas as well as national policies. Beyond the agricultural sector, in particular, there are many complementary and possibly also competing funding instruments. These need to be considered in order that a systematic and encompassing view of policy instruments for rural development in the EU may be arrived at.

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Annex 1: List of draft strategic plans

EU Code	Title	Sources
BE Wallonia	NL – Strategic plan GLB – Wallonië EN – CAP Strategic Plan – Wallonia FR – Plan Stratégique de la PAC – Wallonie	https://agriculture.wallonie.be/documents/20182/21837/SFC2021_version+envoyee_17mars2022.pdf/022ffe73-ba3f-46e2-8907-7d8c6ce1a434
BE Flanders	NL – België – GLB Strategic Plan – Vlaanderen	https://lv.vlaanderen.be/sites/default/files/attachments/glb_strategisch_plan_vlaanderen_v20220311.pdf
BG	BG – СТРАТЕГИЧЕСКИ ПЛАН ЗА РАЗВИТИЕ НА ЗЕМЕДЕЛИЕТО И СЕЛСКИТЕ РАЙОНИ НА РЕПУБЛИКА БЪЛГАРИЯ ЗА ПЕРИОДА 2023–2027 г.	https://www.mzh.government.bg/media/filer_public/2022/03/01/sp_za_rzsr_2023-2027.pdf
DK	DA – Den danske strategiske CAP-plan 2023–2027	https://lbst.dk/fileadmin/user_upload/NaturErhverv/Filer/Tvaergaaende/CAP2020/Temaside/Den_danske_strategiske_CAP-plan_af_2023-2027.pdf
EN	DE – CAP Strategic Plan for the Federal Republic of Germany Germany	https://www.bmel.de/SharedDocs/Downloads/DE/_Landwirtschaft/EU-Agrarpolitik-Foerderung/gap-strategieplan.pdf?__blob=publicationFile&v=2
EE	Ühise põllumajanduspoliitika strateegiakava 2023–2027	https://www.agri.ee/sites/default/files/content/arengukavad/upp-2021/upp-2021-tervikteskst-2022-01-01.pdf
FI	FI – Suomen CAP-suunnitelma 2023–2027	https://mmm.fi/cap27/cap-suunnitelma
FR	Proposition de Plan financier pour le PSN France 2023–2027	https://agriculture.gouv.fr/pac-2023-2027-proposition-de-psn-de-la-france-transmise-la-commission-europeenne
GR	EL – ΣΤΡΑΤΗΓΙΚΟ ΣΧΕΔΙΟ ΚΟΙΝΗΣ ΑΓΡΟΤΙΚΗΣ ΠΟΛΙΤΙΚΗΣ ΤΗΣ ΕΛΛΑΔΑΣ 2023–2027	http://www.agrotikianaptixi.gr/sites/default/files/cap_sp_proposal_30_12_2021.pdf
IE	EN GA	https://www.gov.ie/en/publication/76026-common-agricultural-policy-cap-post-2020/?referrer=http://www.gov.ie/cap/
IT	IT – Piano Strategico Nazionale PAC	https://www.reterurale.it/downloads/PSN_PAC_31-12-2021.pdf
LV	LV – KLP stratēģiskais plāns	https://www.zm.gov.lv/public/files/CMS_Static_Page_Doc/00/00/02/21/39/KLPSP_projekts_20220118_SFC2021_izdruka_no_20220318.pdf
LT	LT – Lietuvos žemės ūkio ir kaimo plėtros 2023–2027 m. strateginis planas	https://zum.lrv.lt/uploads/zum/documents/files/LT%20strateginio%20plano%20projektas_pateiktas_EK.pdf
LU	EN FR – Plan Stratégique National du Grand-Duché de Luxembourg Assurer un développement durable du secteur agricole	https://agriculture.public.lu/content/dam/agriculture/publications/ma/dossier/pac-swot/Plan-Strategique-National-Grand-Duche-PAC-2023-2027.pdf
MT	MT – Pjan Strateġiku tal-Politika Agrikola Komuni – Malta EN	https://eufunds.gov.mt/en/EU%20Funds%20Programmes/EU%20Territorial%20Programmes/Documents/CAP%20Strategic%20Plan%202021%20Draft.pdf

EU Code	Title	Sources
NL	NL – Nederlands Nationaal Strategisch Plan GLB 2023–2027	https://www.toekomstglb.nl/documenten/publicaties/2022/02/11/glb-nationaal-strategisch-plan
AT	EN – CAP Strategic Plan Austria 2023–2027	https://info.bmlrt.gv.at/dam/jcr:ab22e7e3-733c-4860-8c21-428f3ee88bc1/GSP-AT_korr_Einreichversion%2030.12.2021_SFC%20Export%2017-01-2022.pdf
PL	Plan Strategiczny dla Wspólnej Polityki Rolnej na lata 2023–2027	https://www.gov.pl/web/wprpo2020/plan-strategiczny-dla-wpr-na-lata-2023-2027-wersja-40--przyjety-przez-rade-ministrow
PT	PT – Plano Estratégico da PAC – Portugal	https://www.gpp.pt/index.php/pepac/pepac-plano-estrategico-da-pac-2023-2027
RO	RO – Planul national strategic pentru PAC 2023– 2027	https://www.madr.ro/docs/dezvoltare-rurala/2022/PNS_2023-2027_vers-_1.0_sfc2021-2023RO06AFSP001.pdf
SE	SV – Strategic plan for the implementation of the the common jordans policy i Sverige 2023–2027	https://jordbruksverket.se/stod/stod-till-jordbruket-och-landsbygden-2023-2027#h-Regeringenagerdenstrategiskaplanen
SK	Správa o strategickom pláne SPP na rok 2021	https://www.mpsr.sk/strategicky-plan-spp-2023-2027-odoslanie-na-ek/1504-43-1504-17516/
SI	Strateški načrt skupne kmetijske politike 2023–2027 za Slovenijo	https://skp.si/wp-content/uploads/2021/12/Predlog_SN_SKP_22.12.2021_koncna_cista.pdf
ES	ES – Plan estratégico de la PAC de España	https://www.mapa.gob.es/es/pac/post-2020/sfc2021-pepac-enviado-29-12-2021_tcm30-585202.pdf
CZ	CS – Strategický plán SZP Česká republika	https://eagri.cz/public/web/file/694730/sfc2021_2023CZ06AFSP001_1._0_5079194099287621157.pdf
HU	HU – Magyarország KAP stratégiai terve, 2023–2027	https://kormany.hu/dokumentumtar/kozos-agrar-politika-2023-2027-nemzeti-strategiai-tervenek-kivonata
CY	EL – Στρατηγικό Σχέδιο ΚΑΠ (Κύπρος)	http://www.paa.gov.cy/moa/paa/paa.nsf/All/B2C43098829E7DF6C22587CA002D6846/$file/CY%20STRATEGIC%20%20PLAN%20FINAL.pdf
HR	HR – Strateški plan Zajedničke poljoprivredne politike Republike Hrvatske 2023–2027	https://ruralnirazvoj.hr/files/sfc2021-2023HR06AFSP001_1.0_2864247665224368970.pdf

Further information can be found on the EU Commission's website: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/cap-strategic-plans_en

Annex 2: Original EU allocations

Member states	1st pillar European Agricultural Guarantee Fund (EAGF)	2nd pillar European Agricultural Fund for Rural Development (EAFRD)	Apiculture products	Wine	Hops	Olive oil and table olives	Total sectors	Cotton
FR	36,425,002,685	7,297,200,350	32,095,310	1,348,140,000		2,770,000	1,383,005,310	
DE	24,578,477,295	5,461,798,690	13,954,375	186,905,000	10,940,000		211,799,375	
ES	24,185,439,795	5,401,914,125	47,799,720	1,010,735,000			1,058,534,720	298,453,200
IT	18,142,645,775	6,749,606,875	25,832,685	1,619,415,000		34,590,000	1,679,837,685	
PL	15,929,840,700	6,600,007,695	25,124,840				25,124,840	
RO	10,147,975,980	4,835,249,460	30,408,150	45,844,000			76,252,150	
EL	9,458,300,215	2,784,768,000	30,813,225	115,150,000		53,330,000	199,293,225	919,980,000
HU	6,215,925,825	2,084,345,745	21,356,135	139,850,000			161,206,135	
IE	5,931,409,980	1,558,203,140	308,200				308,200	
DK	4,311,836,385	379,670,300	1,477,695				1,477,695	
CZ	4,274,736,485	1,295,938,540	10,607,640	24,770,000			35,377,640	
BG	4,158,868,500	1,410,813,220	10,319,425	128,605,000			138,924,425	12,789,100
NL	3,586,911,635	366,341,845	1,475,860				1,475,860	
SE	3,434,082,085	1,059,448,705	2,942,725				2,942,725	
AT	3,387,909,230	2,600,123,760	7,385,940	65,775,000			73,160,940	
PT	3,198,968,265	2,702,753,100	11,021,160	313,350,000			324,371,160	887,945
LT	3,063,564,080	977,475,810	2,749,140	215,000			2,964,140	
FI	2,624,029,325	1,772,749,780	980,910				980,910	
BE	2,474,629,620	414,004,470	2,114,835				2,114,835	
SK	2,077,373,715	1,295,389,545	4,999,865	24,435,000			29,434,865	
HR	1,873,851,185	1,486,537,005	9,566,450				9,566,450	
LV	1,822,418,720	587,475,865	1,644,020				1,644,020	
EE	1,025,093,740	440,083,240	702,365				702,365	
SI	657,650,260	550,850,960	3,247,275	24,245,000			27,492,275	
CY	238,237,700	118,852,570	848,265				848,265	
LU	163,739,135	61,553,220	153,105				153,105	
MT	22,970,105	99,922,485	70,685				70,685	
EU-27	**193,411,888,420**	**60,393,078,500**	**300,000,000**	**5,047,434,000**	**10,940,000**	**90,690,000**	**5,449,064,000**	**1,232,110,245**

Source: Authors' own representation, based on SPR.

Annex 3: Planned public funding 2023–2027 under the first pillar

Member state	Basic income support (Art. 21)	Redistributive income support (Art. 29)	Complementary income support for young farmers (Art. 30)	Eco-schemes Art. 31)	Coupled income support (Art. 32)	Sector interventions	1st pillar total
AT	2,387,808,000	353,476,000	71,280,000	579,851,856	90,006,000	96,244,625	3,578,666,481
BE	967,051,275	363,546,619	69,883,848	604,715,688	366,540,360	343,082,352	2,714,820,142
BG	1,990,994,489	410,709,099	61,606,400	1,026,773,412	616,055,876	115,538,786	4,221,678,061
CY	149,681,430	23,823,770	2,507,500	41,046,500	21,250,000	18,820,765	257,129,965
CZ	1,296,280,105	947,063,660	21,373,685	1,235,271,111	617,650,210	127,672,951	4,245,311,722
DE	12,780,562,409	2,574,841,281	737,354,319	4,935,112,456	429,140,214	318,852,260	21,775,862,939
DK	3,096,129,508			819,452,897	203,083,711	44,946,740	4,163,612,856
EE	526,978,302	50,396,468	20,160,036	279,365,200	131,030,818	1,403,990	1,009,334,814
EL	4,473,976,402	870,163,618	140,000,000	2,490,484,300	1,061,002,875	249,468,225	9,285,095,420
ES	12,080,167,362	2,414,164,210	482,832,932	5,552,577,672	3,461,900,000	2,848,103,490	26,839,745,667
FI	1,530,518,087	78,600,000	65,500,000	430,000,000	508,500,000	23,980,000	2,637,098,087
FR	16,201,067,085	3,368,220,020	505,233,005	8,420,550,045	5,052,330,035	1,549,161,560	35,096,561,750
HR	711,392,520	374,417,125	37,441,710	468,041,380	280,812,832	52,972,055	1,925,077,622
HU	3,886,000,000	663,426,323	93,449,268	995,000,000	994,918,829	171,589,286	6,804,383,706
IE	3,642,474,190	593,175,000	177,900,000	1,482,852,495	35,000,000	39,308,200	5,970,709,885
IT	8,390,985,270	1,760,750,460	352,270,091	4,443,307,598	2,624,972,217	3,269,197,685	20,841,483,320
LT	1,164,671,078	602,446,573	69,809,625	723,499,842	451,840,072	8,204,140	3,020,471,330
LU	79,796,985	19,481,150	4,162,500	37,993,500	19,350,000	-	160,784,135
LV	871,777,367	134,821,346	11,809,550	438,138,576	257,037,678	12,974,020	1,726,558,537
MT	20,712,946		250,002	6,991,551	14,999,995	70,685	43,025,179
NL	1,688,125,000	277,985,652	50,000,020	762,218,720		322,951,720	3,101,281,112
PL	8,206,628,156	2,004,104,329	185,311,281	4,329,877,522	2,599,011,841	58,576,009	17,383,509,138
PT	1,572,757,170	348,646,703		874,262,820	690,597,342	356,138,500	3,842,402,534
RO	4,398,692,014	978,314,880	100,766,433	2,837,903,151	1,467,472,318	264,687,166	10,047,835,962
SE	2,207,169,348		99,540,536	679,869,222	446,134,076	31,057,524	3,463,770,706
SI	414,451,188	32,882,512	9,864,753	101,804,125	98,647,530	26,302,550	683,952,659
SK	943,343,866	204,946,249	12,240,126	559,159,865	303,470,999	66,281,446	2,089,442,551
EU-27	**95,680,191,552**	**19,450,403,048**	**3,382,547,620**	**45,156,121,503**	**22,842,755,828**	**10,417,586,730**	**196,929,606,282**

Source: Authors' own representation, based on the submitted GAP Strategic Plans.

Annex 4: Planned public funding 2023–2027 under the second pillar

Member state	Environmental, climate-related and other management commitments (Art. 70)	Natural or other area-specific constraints (Art. 71)	Area-specific disadvantages resulting from certain mandatory requirements (Art. 72)	Investments (Art. 73)	Investments in irrigation (Art. 74)	Setting-up of young farmers and new farmers and rural business start-up (Art. 75)	Risk management tools (Art. 76)	Cooperation (Art. 77)	Knowledge exchange and dissemination of information (Art. 78)	2nd pillar total
AT	2,282,067,316	990,000,000	8,076,187	964,953,156	32,300,000	78,500,000		514,975,000	208,050,000	5,078,921,659
BE	356,726,049	44,300,000	28,850,000	467,942,974		85,722,540		107,499,116	30,175,267	1,121,215,945
BG	778,676,939	272,422,899	95,777,145	1,493,753,502	100,000,000	229,257,149	121,565,926	353,851,876	41,797,364	3,487,102,801
CY	51,978,258	30,000,000	3,000,000	61,100,000	10,000,000	10,500,000		18,500,000	633,750	185,712,008
CZ	1,477,685,472	874,376,285	5,712,977	1,063,066,926		106,868,412		224,384,054	14,994,000	3,767,088,125
DE	5,285,190,629	977,670,852	111,626,503	3,214,530,243		109,523,001	126,655,570	1,877,801,817	193,296,723	11,896,295,339
DK	152,177,660	13,085,000	24,832,000	317,480,784		129,360,000		57,827,980		694,763,424
EE	150,526,273		25,000,000	274,811,500		25,000,000	1,000,000	98,924,729	23,000,000	598,262,502
EL	806,088,196	1,275,384,625		1,073,687,820		590,000,000		386,680,786	171,388,726	4,303,230,153
ES	1,578,435,963	602,001,373	53,641,186	2,673,392,611	233,483,024	625,036,000		1,117,920,561	228,454,580	7,112,365,296
FI	1,762,316,168	904,564,252		751,879,106	700,000	56,000,000		363,500,000	122,525,000	3,961,484,526
FR	3,036,585,150	5,500,000,000		2,796,989,150	209,601,128	955,252,714	1,619,251,287	896,363,125	149,856,328	15,163,898,882
HR	468,111,162	172,500,000	8,823,529	645,264,444	82,352,941	76,470,588	75,000,000	128,746,753	35,294,118	1,692,563,536
HU	2,188,598,391		358,668,836	4,130,532,316	186,301,370	188,198,535	95,890,411	330,304,113	219,178,082	7,697,672,054
IE	1,756,664,850	1,250,000,000		319,949,779				429,605,000	98,499,908	3,854,719,537
IT	4,195,624,301	1,094,859,903	74,743,558	4,020,986,055		881,540,628	2,876,069,967	1,090,607,910	208,667,711	14,443,100,033
LT	356,551,857	87,500,000	12,171,429	455,250,000		95,000,000	13,450,000	119,796,370	14,000,000	1,153,719,656
LU	188,486,150	121,835,000	9,700,000	84,000,000		17,000,000		12,700,000		433,721,150
LV	296,680,646		11,925,000	231,573,208		41,947,564	36,125,000	107,300,000	19,000,000	744,551,418
MT	7,470,042	14,026,450		79,383,531		5,100,000		8,805,155	4,375,000	119,160,178
NL	576,000,435			291,590,400		57,500,000	87,500,011	509,109,150	66,530,000	1,588,229,996
PL	885,900,077	1,592,000,000		2,887,479,560		572,932,904	254,998,600	1,038,100,801	200,997,753	7,432,409,695
PT	484,407,982	477,053,699	65,911,050	1,239,024,788	115,650,000	81,575,000	66,510,000	217,971,788	23,818,000	2,771,922,307
RO	1,705,532,654	685,150,000		1,876,809,256	503,394,588	250,691,764	97,907,587	555,527,058	10,040,715	5,685,053,622
SE	840,322,040	806,451,615		436,344,086	18,279,570	17,204,300		325,268,817	114,731,183	2,558,601,611
SI	252,196,368	240,000,000	2,400,000	406,128,206	22,000,000	47,290,760		81,007,015	11,060,000	1,062,082,349
SK	641,747,977	369,717,895	6,642,852	691,135,099	13,250,000	57,000,000	40,000,000	180,706,565	14,000,000	2,014,200,388
EU-27	**32,562,749,004**	**18,394,899,848**	**907,502,250**	**32,949,038,500**	**1,527,312,621**	**5,390,471,859**	**5,511,924,359**	**11,153,785,539**	**2,224,364,208**	**110,622,048,189**

Source: Authors’ own representation, based on the submitted GAP Strategic Plans.

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thuenen-working-paper@thuenen.de
www.thuenen.de

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