

Project *brief*

Thünen-Institut Institute of Rural Studies

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Governance: the reform process of the CAP post-2020 seen from an inter-institutional angle

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- The study commissioned by the European Parliament focussed on the inter-institutional dynamics (Council – European Parliament – Commission) of decision-making process of the CAP reform for the post-2020 period.
- Within the negotiations of the post-2020 CAP the European Parliament was able to introduce into agreed upon legal package the social conditionality, the use of a minimum share of financial resources for eco schemes or the redistribution premium, which became obligatory for member states.
- It was not possible for the European Parliament to re-discuss its positions on various CAP elements (e.g. capping, reallocation between pillars) in the trilogue, as these elements had already been fixed by the European Council in the Multiannual Financial Framework.
- At the inter-institutional level, the COVID 19 restrictions significantly affected the CAP negotiations.
- At the intra-institutional level, disputed competences and political differences between the AGRI and the ENVI Committee were evident throughout much of the CAP reform process.

Background and objectives

The recent reform of the Common Agricultural Policy (CAP) was the second to be carried out under the rules of the Lisbon Treaty with enhanced legislative powers of the European Parliament. The reform process for the CAP post-2020 was characterized by

- its duration (42 months compared to 26 months for the 2013 reform).
- overlapping and complex decision-making processes, especially regarding the negotiations on the Multiannual Financial Framework (MFF) and the EU Next Generation (NGEU) programme, as well as the discussions on the European Green Deal.
- In addition, events such as Brexit, the COVID 19 pandemic and the European Parliament elections in May 2019 were important factors influencing the CAP reform process both institutionally and economically.

The main objective of the study was to look at the dynamics of the decision-making process of the CAP reform for the post-2020 period at the EU institutional level (Council – European Parliament – Commission) and to analyse the results of the negotiations. In addition, suggestions were to be formulated on how the negotiation process regarding future CAP reforms or mid-term reviews could be improved from the perspective of the European Parliament.

Methodological approach

The study was based on three strands of research. The first part involved an analysis of relevant documents such as draft regulations, opinions and decisions. In the second part, different positions of the EU institutions were elaborated. For this purpose, documents originating from the most important institutional actors in CAP reform were analysed. In particular, the so-called four-column documents prepared for the trilogues were evaluated, as well as position papers of the Member States, Commission papers, reports and briefings of the European Parliamentary Research Service (EPRS), etc. The third part of the study consisted of interviews with politicians and experts from the most important EU institutions in order to gain deeper insights into the negotiation processes and contents as well as to clarify open questions. Four thematic focus areas of the CAP were considered: a) a more flexible and simplified CAP; b) a fairer and better targeted CAP; c) the new green architecture; d) governance and market management in the CAP. The Thünen Institute focussed on the topics a) and c) and the project partner Metis focussed on b) and d).



Quelle: Europäisches Parlament

Results

Efforts to make the CAP more flexible and simplified: Parliament and the Council did not question in principle the New Delivery Model proposed by the Commission. However, in the negotiations, Parliament sought to defend the "common" character of the CAP, to prevent renationalisation and to ensure a level playing field between Member States. To this end, it proposed more detailed wording of many passages of the Strategic Plan and Horizontal Regulations. Examples are the demand for maximum subsidy amounts or a common list of possible eco schemes. The Parliament succeeded in establishing a minimum budget for the eco schemes, stronger support for young farmers and the pursuit of socio-economic goals. Parliament also pushed for greater consideration of the regional dimension in the CAP strategy plans, but was only partially successful. The Parliament was able to achieve that rules for a stronger protection of the interests of the Union were integrated into the texts of the regulations. One example in this respect are the requirements for controls at Member State level as well as the Commission's reporting obligations to the Council and Parliament.

The new green architecture of the CAP: The Commission's proposal for the "green architecture" – consisting of extended conditionality, eco schemes and agri-environmental and climate measures (AECM) – received broad support in the Parliament and the Council. The Parliament was able to push through a minimum budget for eco schemes, although the minimum percentage of 25 % was lower than the 30 % demanded by the Parliament. Parliament succeeded to achieve that eco Schemes and AECM will be treated as two separate interventions. It was also successful with its demand for a minimum allocation of 35% of Pillar 2 funding for environmental and climate-related objectives. The Parliament's demand for a minimum share of non-productive land under GAEC (Good agricultural and environmental conditions) 8 and the possibility of combining GAEC 8 with eco schemes are also reflected in the regulation.

However, by simultaneously advocating income-generating direct payments and ambitious environmental measures (eco schemes) and requirements (extended conditionality), the Parliament itself prevented being able to position itself more strongly with regard to ambitious environmental standards.

It should be noted that throughout the reform process, Parliament sought to defend the principles of the EU and the CAP budget, but at the same time was open to policy innovations and sometimes acted as an initiator – as shown, for example, by the introduction of social conditionality, an important demand of the Group of the Progressive Alliance of Socialists and Democrats in the Parliament

The Parliament's proposals were contrasted with the Council's approach, which was characterised by austerity and the demand for the greatest possible subsidiarity.

At the intra-institutional level, there was a certain degree of division throughout much of the CAP reform process. For example, jurisdictional problems and political differences were observed between the AGRI Committee and the ENVI Committee of the Parliament. At the inter-institutional level, the COVID 19 constraints significantly affected the conduct of negotiations.

In the final outcome, a large number of Parliament's positions and amendments were at least partially accepted. The Parliament was able to score some major negotiating successes – such as the introduction of social conditionality, the setting of a minimum budget for eco schemes or the redistribution premium, which is now obligatory for member states.

Recommendations

In future, the Parliament could strengthen its negotiating position by eliminating internal differences before negotiations begin and fixing a consistent negotiation position. The Parliament should also focus more on both the number of strategic objectives and specific proposals for amendments. In order to play a leading role in future negotiations, the Parliament needs to significantly strengthen its in-house analytical capacity before and especially during the negotiations in order to be able to assess proposals put forward by other institutions and the wider CAP stakeholder community.

Overall, the Parliament needs to clarify what role it wants to play in future reforms and take necessary action accordingly in good time. The study makes a number of practical suggestions in this regard.

Further Information

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Publications

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