

European Committee of the Regions

> Network of Regional Hubs for EU Policy Implementation Review

## The regional dimension of the CAP Strategic Plans

Second consultation phase



The content of this report has been approved by the European Committee of the Region's Better Regulation and Active Subsidiarity Steering Group (BRASS-G) on 31 May 2024.

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## **Report on**

# Phase 2 of the RegHub consultation on the regional dimension of the CAP Strategic Plans

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#### 1. Introduction

#### 1.1 Background and context

Regions have been increasingly involved in the drafting, management and evaluation of the second pillar of the Common Agricultural Policy (CAP) since its creation in 2000. 118 Rural Regional Development Programmes were drafted during the 2014-2020 programming period.

The new CAP regulation, <u>Regulation (EU) 2021/2115</u>, which came into force on 1 January 2023, has established a new delivery model with <u>one Strategic Plan per Member State</u> (except for Belgium which has two Strategic Plans)<sup>\*</sup>. A Strategic Plan covers both the first and second pillar of the CAP. Despite its focus on the Member State level, the Regulation provides for a possible involvement of regional authorities in the preparation and management of the Strategic Plans. This includes the possibility for Member States to designate regional managing authorities for CAP interventions at regional level and the establishment of regional monitoring committees.

#### 1.2 Aims, results and follow-up of the consultation

The European Committee of the Region's (CoR) commission for Natural Resources (NAT) committed itself in its work programme for 2024 to closely follow the implementation of the CAP at regional level and to demonstrate the added value of regional interventions.

In support of NAT's work in this field, the Network of Regional Hubs (RegHub) consults its members with the aim to evaluate the implementation of the Strategic Plans Regulation. The consultation will also assess the regional contributions to and their impact on the drafting of the Strategic Plans, and finally it will evaluate the Regulation's overall achievements. The ultimate purpose of the consultation is to feed into the CoR's political work on the mid-term review of the CAP, taking place in 2024-2025.

The consultation consists of three phases:

- First phase: collected and assessed the contribution of regions to the drafting of the Strategic Plans, as well as the weight of the regional dimension in these plans. NAT shared <u>the results of</u> <u>the first consultation</u> during a joint hearing with the European Parliament AGRI Committee on 26 October 2023.
- Second phase: collect experiences with the implementation and evaluation of the Strategic Plans;

<sup>\*</sup> Flanders and Wallonia each have their own Strategic Plan

• Third phase (to be launched by the end of 2024): evaluate the added value of regional measures in the Strategic Plans.

This report covers the second phase of the consultation.

#### 1.3 Structure of the report

The first part of the analysis assesses the contribution of Strategic Plans to the key policy objectives of the CAP 2023-27.

The second part assesses how the regional authorities are involved in the implementation and evaluation of the Strategic Plans.

Finally, the third part summarises recommendations to improve the implementation of the current CAP strategic plans and for the future CAP.

#### 1.4 Method

The second phase of the RegHub consultation was conducted from 11 January 2024 to 16 February 2024 via an online survey with 17 questions, including 3 open questions.

Although 24 members of the network (hereinafter "the Hubs") took part in the first phase of the consultation, which ensures a certain geographical balance, this does not constitute a representative statistical sample of local and regional authorities across the EU. Consequently, the results of this consultation should not be interpreted as being statistically representative. Acknowledging this basic element, the CoR has focused on questions that could provide significant and useful qualitative answers.

Each Hub was free to consult relevant stakeholders within its territory. An overview of the consulted stakeholders can be found in the Annex to this report.

For this phase of the consultations, the French region Auvergne-Rhône-Alpes, who is not a member of RegHub, also submitted a contribution, which is included in this report.

#### 2. Analysis

#### 2.1 Strategic Plans contributions to the key policy objectives of the CAP 2023-27

For the period 2023-27, the common agricultural policy (CAP) is built around key objectives. Focused on social, environmental and economic goals, these objectives are the basis upon which EU countries should have designed their CAP Strategic Plans.

All Hubs except Murcia consider that their national Strategic Plans contribute to the key objectives that focus on economic sustainability of agricultural activity through:

- the direct payments which contribute significantly to supporting farmers' incomes;
- the compensation for natural disadvantages;
- the support to the establishment of producer groups and organisations;
- the supports to the investments that contribute to the uptake of innovation and new technologies while at the same time reducing input costs, improving the productivity and competitiveness of the sector;
- the promotion of research, education, training and counselling with the aim of supporting farmers in their farming decisions and entrepreneurial choices on their farms.

Nevertheless, some Hubs point out that:

- farm supports leave out many agricultural holdings, as some farms do not receive any support because they are not eligible (Valencia);
- eco-regimes do not fit the needs of **Murcia**, due to their high environmental requirements for a territory characterised by dryness and aridity;
- the Strategic Plans are not always able to respond in a timely and appropriate manner to the needs of the most marginal areas such as those in the mountains (Valle d'Aosta);
- beneficiaries face digital divide and excessive bureaucracy (Catalonia).

Almost all Hubs consider that their national Strategic Plans contribute to the transition to a smart, sustainable, resilient and diversified agriculture sector through:

- agri-environmental measures and eco-schemes;
- coupled aids which have the most concrete characteristics of strengthening food sovereignty by helping certain sectors;
- the promotion of research, education, training and counselling with the aim of supporting farmer transition.

Nevertheless, some Hubs point out that:

- the budget allocated to agri-environmental measures was not sufficient (Brittany) and a more substantial financial envelope would be necessary to meet new challenges (Murcia, Valle d'Aosta, Thessaly);
- the eco-schemes are not sufficient to accompany a real transition since almost all farms meet the expected minimums (**Brittany**) and their design does not fit the **Murcia** regional conditions (**Murcia, Valle d'Aosta and Bolzano**);
- the current agricultural crisis and market prices may present risks of reversing the efforts implemented (**Brittany**) and do not allow companies to make significant investments to adapt to the transition (**Umbria**);
- the impact on food security is limited (Friuli Venezia Giulia and Bodensee);
- administrative burdens are increasing and not all farms are able to bear it (Valencia);
- overlap between eco-regimes and agri-environment (Catalonia).

A large majority of Hubs considers that their Strategic Plan attracts and supports young farmers and new farmers but:

- Harghita mentioned that the application process for young farmers is too bureaucratic and requires conditions that most young farmers in the region cannot meet. Valle d'Aosta and Brandenburg also state that young farmers' support is too complex to implement;
- Umbria mentioned that the dedicated CAP support to young farmers is not sufficient for setting up a business outside the family and Valencia states that young farmers should also be supported by fiscal and social measures;
- **Baden-Württemberg** mentioned that the access to premiums for supplementary income support for young farmers is subject to the required relevant qualification which is challenging particularly for side-work farmers;
- **Thessaly** states that in addition to the specific support to young farmers provided by the CAP, increasing the attractiveness of the countryside and creating conditions for young people and women to remain in their homeland is necessary.

Thessaly, Bodensee, Umbria, Catalonia, Emilia-Romagna, Bolzano, Valle d'Aosta mentioned specific supports and/or prioritisation criteria to promote gender equality and women's participation in agriculture. On the contrary, Friuli Venezia Giulia, West Pomerania and Harghita mentioned that they are not aware of any scheme that would favour women in the field of agricultural enterprises. Auvergne Rhone Alpes and Brittany does not make a distinction between men and women. Umbria mentioned deeply rooted traditional patterns in marginal rural areas which slow down the process of

female participation in agricultural activities. **Brandenburg** asks for exchange of best practices with other policy areas in relation to gender equality.

All of the Hubs consider that Strategic Plans contribute to social inclusion and local development in rural areas. Most of the Hubs mentioned the very positive impact of the Leader approach which is the main driver of growth, employment, development and social inclusion in rural areas. Nevertheless, the Minsk LAG (LEADER Local Action Group) states that the poorer municipalities will not be able to use the available funds as the level of co-financing is too low.

#### 2.2 Implementation of the Strategic Plans at regional level

On the one hand, all Hubs in Member States with regional managing authorities encounter difficulties in the implementation of the Strategic Plans. The main concern is the **increase of administrative burden** reported by almost all of the Hubs. They also reported difficulties with:

- the understanding of very detailed guidelines on green architecture which has limited its implementation (**Baden-Württemberg**);
- the lack of awareness among producers and the population of rural areas on the new supports/subsidies introduced by the CAP reform which has limited its implementation (**Thessaly**);
- the high environmental requirements which are not adapted to the characteristics of the territories (**Murcia**);
- the late adoption of implementing EU regulations which delay effective implementation (**Brandenburg, Auvergne Rhone Alpes, Umbria, Valle d'Aosta**) and state that some rules still need to be clarified;
- the involvement of the federal level has led to a very significant increase in internal procedures and contributed to delaying the start of the new financing period (**Catalonia, Friuli Venezia Giulia, Brandenburg, Valle d'Aosta, Bolzano**);
- the first pillar measures have not been able to be regionalised and then adapted to territorial needs (Catalonia, Valle d'Aosta);
- the current overlap between the two programming periods RDP '14-'22 and PEPAC '23-'27. The management of both programmes at the same time is very dense, especially when periods of modification of the two coincide. (**Catalonia, Umbria**).

On the other hand, a large majority of the Hubs in Member States without regional managing authorities consider that the overall implementation of the CAP Strategic Plan is not problematic (**Bodensee**, **Mazovia**). However, **Harghita** reports an increase in the bureaucracy of grant applications and regrets that the damages caused by wild animals are not covered.

#### 2.3 Flexibility of the Strategic Plans at regional level

The Hubs point at major difficulties to adapt Strategic Plans. Valencia, Valle d'Aosta, Emilia-Romagna, Catalonia, Umbria, Brittany, Friuli Venezia Giulia, Bolzano, Baden-Württemberg, Brandenburg mention that the procedure for amending the plan has become longer and more complex. Thessaly considers that crises (geopolitical, climate, animal health...) should ensure a more timely and adequate response from CAP Strategic Plan interventions by providing Member States with greater flexibility to manage institutional frameworks and resources

In Italy and in Spain, any changes to the Strategic Plans must be agreed between the Ministry of Agriculture and all regions before being notified to the Commission. This is a problem considering that the principle of retroactivity does not apply, therefore a call cannot be approved on the basis of the new provisions before the date on which they are notified to the Commission. Moreover, **Catalonia** highlights the abundance of requests by the European Commission for justifications in the modification processes which often become redundant and excessive. **Valencia** points out that flexibility in European Agricultural Fund for Rural Development (EAFRD) interventions is very limited and amendments to rural development programmes can only be submitted once a year and exceptionally in the first half of the year.

In Germany, the possibility of amending the Strategic Plan seems more frequently available. **Baden-Württemberg** states that changes to the Strategic Plan pursuant to Article  $119(9)^{\dagger}$  of Regulation (EU) 2021/2115 shall in principle take place once a year and are coordinated between the Federal Government and the Länder. However, necessary regional plan changes pursuant to Article  $119(12)^{\ddagger}$  of Regulation (EU) 2021/2115 can be submitted via the Federal Government as required. Unfortunately, the coordination of an amendment between the Federal Government, the Länder and the Commission is very lengthy and cannot cover the need for short-term changes. The informal deliberations on the Strategic Plan changes with the EU Commission are carried out under the responsibility of the Federal Government and the Länder concerned will be consulted if necessary. There is no longer any direct communication between the regional managing authority and the Commission's desk officer in order to be able to explain directly the background to the adjustment of the Strategic Plan (also mentioned by

<sup>&</sup>lt;sup>†</sup> Article 119 (9) By way of derogation from paragraphs 2 to 8, 10 and 11 of this Article, Member States may, at any time, make and apply modifications to elements of their CAP Strategic Plans pertaining to interventions under Title III, Chapter IV, including the eligibility conditions of such interventions, that do not lead to changes of the targets referred to in Article 109(1), point (a). They shall notify such modifications to the Commission by the time they start applying them and include them in the next request for amendment of the CAP Strategic Plan in accordance with paragraph 1 of this Article.

<sup>&</sup>lt;sup>+</sup> Article 119(12) : Corrections of clerical or obvious errors or of a purely editorial nature that do not affect the implementation of the policy and the intervention shall not be considered to be a request for amendment under this Article. Member States shall inform the Commission of such corrections

**Catalonia**). As a result, several requests from the Commission arise and the communication effort increases significantly.

#### 2.4 Monitoring and evaluation of the Strategic Plans at regional level

A lot of the Hubs consider that the system for assessing whether targets are achieved is very complex as:

- result and performance indicators are too complex (Valencia);
- there are no tools to assess how much the individual region impacts targets (Valle d'Aosta);
- the national government pursues support for agricultural investments, complicating the crosschecking of support for the regions (**Brittany**);
- the national government adopted a decree binding on the regions (imposing control rates in particular) while the European regulations were no longer binding on these points (**Brittany**);
- regions do not receive a presentation of the European Agricultural Guarantee Fund (EAGF) support in their territories (**Brittany**);
- the exclusion of the European Agricultural Fund for Rural Development (EAFRD) from the scope of the ESI Funds and its merger with the EAGF in a single Strategic Plan, makes the system more complicated in terms of evaluation and performance indicators (**Umbria**);
- there is the need to aggregate the contributions of all the regions (Emilia-Romagna);
- it is difficult to bring together in a single monitoring the two pillars of the CAP covered by the Strategic Plan (**Emilia-Romagna**);
- the planning of data such as number of applicants, number of hectares, animals or amounts payable annually in the second pillar of the CAP, has generated a complex indicator design that will need to be modified annually as real data is obtained and the programme is implemented. In addition, the forecasting of this data in a context of climate change creates even more uncertainty about the data transferred The Integrated Administration and Control System (IACS) measures can provide interesting information. However, in non-IACS measures this data cannot be predicted in the same way and does not provide relevant information (Catalonia).

## 2.5 Governance and collaboration between national and regional managing authorities and between national and regional monitoring committees

In Germany, the role of the Strategic Plan coordinators was established already in 2019 at the level of the regional administrative authorities. The national managing authority shall inform the regional managing authority on the technical and legal implementation of the CAP Strategic Plan. It invites the regional administrative authorities of the Länder to regular meetings. In addition, bilateral discussions

between the regional authorities and the national managing authority take place if necessary. An electronic exchange platform facilitates communication. If the regional managing authority is doing everything in its power to take account of the partnership principle in its implementation (**Brandenburg**), linking national and regional programmes leads to difficulties (**Baden-Württemberg**). Moreover, Regional Managing Authorities are members of the National Monitoring Committee to ensure direct information to the members of the Regional Monitoring Committees on the work of the National Monitoring Committee.

Thanks to the coordination of 'Regions of France', the French regional managing authorities are rather well involved in the drafting of the French Strategic Plan and now for its implementation. However, there is no collaboration between national and regional monitoring committees (**Brittany**). The Regional Monitoring Committee is required to keep the National Monitoring Committee informed of its decisions, in particular on the methods and criteria for selecting regional interventions

In Italy, the national managing authority collaborates intensely with the regional managing authority and there is a good level of interaction. The involvement of all regional managing authorities and working staff through direct online meetings between managing authorities has allowed a fruitful exchange and a co-design of the interventions that is very interesting also from the point of view of organisational learning. It allowed an exchange between different governance systems as well as a comparison of completely different needs that had to find a shared synthesis in the interventions. Cooperation on monitoring also exists in the form of meetings, data transfers, etc. **Umbria** states, however, that there has been formalised sharing of responsibility for monitoring between the state and the regional level, but roles and tasks have not been defined in detail. In Spain it also seems that there is a good level of collaboration between the national and regional managing authorities.

## 2.6 Recommendations to improve the implementation of the current CAP strategic plans and for the future CAP

Simplification of procedures, reduction of the bureaucratic burden and greater flexibility in submitting requests for changes to the regional specificities of the Strategic Plan are the main recommendations of the Hubs. In this regard, **Friuli Venezia Giulia** considers that more flexibility and focus on results would be needed, rather than specific implementation details and that it would be useful to define common sets of indicators for each intervention, without going far beyond regulatory obligations. **Umbria** suggests to maintain the approval of Strategic Plans changes to obvious errors and those that do not affect targets and milestones at national level, without requesting the approval of the European Commission, and in order to simplify and speed up procedures, it would be useful to link aid to standard costs or simplified costs.

Moreover, a large majority of Hubs call for greater regionalisation of the CAP. **Valle d'Aosta** states that rural development policy should be managed at regional level according to the Cohesion Policy model. **Bolzano** points out that more attention must be paid to regional peculiarities, and in particular to mountain farming. **Catalonia, Valle d'Aosta** state that the first pillar measures have not been able to be regionalized and therefore adapted to territorial needs and **Murcia** states that the eco-schemes designed do not fit the regional conditions. **Thessaly** states that specialisation of the CAP is needed depending on the needs and specificities of each region and that island regions should be treated differently from continental regions. **West Pomerania** states that the national plan should be based on specific regional needs.

Although coherence and transparency can be seen as an added value of merging EAGF and EAFRD funds in one CAP Strategic Plan for the Hubs from Member States without regional managing authorities (**Thessaly, Bodensee, Mazovia, West Pomerania, Vukovar-Srijem County, Dubrovnik**), most of the Hubs situated in Member States with regional managing authorities consider that it has led to more bureaucracy. Moreover, the withdrawal of the EAFRD from the rest of the Structural Funds has made it more difficult to complement funds such as EAFRD, ERDF, ESF+. **Brandenburg** mentions that the synergy between those funds was very good in the previous programming period. For **Brittany,** it is important that the regulatory requirements in the management mechanics of the Structural Funds (ERDF/ESF+, EAFRD, EMFAF), are similar, while recognising the different objectives of each fund. For **Umbria,** the exclusion of the EAFRD from the scope of the ESI Funds and its merger with the EAGF in a single Strategic Plan, makes the system more complicated in terms of evaluation and performance indicators.

The respondents also call for direct contact with the European Commission. For **Auvergne-Rhône-Alpes**, direct communication between the regions and the European Commission should be encouraged. Because of the role of programming in the regions, in the context of the differences and specificities of the agricultural sector in the various regional circumstances, cutting out the regions from direct relations with the EU Commission is counterproductive for **Umbria**. **Valle d'Aosta** points out that mountainous and outermost regions need a more direct dialogue with European institutions. Regions should continue to have the opportunity to engage with the European Commission in order to make known their reality, their problems and their peculiarities and to bring their requests and proposals. Otherwise, the European Union will increasingly move away from its territories and citizens. **Valencia** states that direct contact with the European Commission will reduce the deadlines for resolving certain doubts.

**Bolzano** points out that it is important that the measures remain more or less constant beyond the individual programming periods, because the impact of a Strategic Plan becomes visible only over long periods (at least 2 or 3 programming periods, meaning 15 years).

Some Hubs report that differences between eco-schemes from the first pilar and Agri-environmental measures from the second pilar are difficult to communicate to applicants and that there is a risk of overlapping. **Baden-Württemberg** suggests the two environmental support schemes should merge.

#### Annex I: List of consulted stakeholders

Hub	Consulted Stakeholders
Emilia Romagna	Directorate-General Agriculture, Hunting and
	Fisheries of the Emilia-Romagna Region
Auvergne-Rhône-Alpes*	Directorate of Agriculture, Forestry and Food,
in organo interest	Auvergne-Rhône-Alpes Region
Autonomous Province of Bolzano/Bozen	Agriculture Directorate
Autonomous i rovince or Doizano, Dozen	Provincial Paymaster
	Union of South Tyrolese Farmers and Farmers
Community Madrid	Directorate-General for Agriculture, Livestock
	and Food
	Directorate-General for Biodiversity and Forest
	Management
	Madrid rural, agricultural and food research and
	development institute (IMIDRA)
Friuli Venezia Giulia	Directorate for Agriculture, Forestry and Fish
	Resources
	Agrifood & Bioeconomy Foundation
Brittany	EAFRD Department
	French Regions Association
	Delegation of the Brittany Region in Brussels
Baden-Würtemberg	Ministry of Food, Rural Affairs and Consumer
	Protection
Bodensee (Vorarlberg)	Office of the Provincial Government,
	Department of Agriculture and Rural Areas
Brandenburg	Managing Authority EAFRD of the Ministry of
	Agriculture, Environment and Climate
	Protection;
	Brandenburg Forest Farmers Association e.V.
	Evangelical Church Berlin-Brandenburg
	Silesian LAG Energieregion in Lausitzer Seenland e.V.
	LAG Uckermark e.V.
	LAG Märkische Seen e.V.
	LAG Spreewaldverein e.V
	Agriculture District of Prignitz
	A proprietor viticulture
Catalunya	Department of Climate Action, Food and Rural
C	Agenda
Dubrovnik	Administrative department for agriculture of
	Dubrovnik-Neretva County
	Development agency DUNEA
	Local action groups in agriculture and fisheries
	in the Dubrovnik-Neretva County
Mazowieckie	Department of Agriculture and Rural
	Development
	Mazovian Agricultural Advisory Centre
	Minsk Land Local Action Group (LAG)
Murcia	Counsel of water, agriculture, livestock and
	fishing
	Directorate-general for the common agricultural
	policy
North Rhine-Westphalia	Ministry of Agriculture

Г	
	Chamber of Agriculture
	Rhineland Agriculture Association
¥	Westphalian Agricultural Association
Regions de France <sup>*</sup>	-
Thessaly	Association of Thessaloniki Businesses and
	Industries
	Kottis Dimitrios, Chairman of the Board of
	Cooperatives, Agricultural Milk Cooperative of
	Meteora
	Organisation of industrial tomatoe producers
	Region of Ionian Islands
	Directorate for Rural Economy and Veterinary
	Department of Lefkada & Department of plant-
	animal production and quality control
	Special CFP strategic plan management service
	Directorate for rural economy
	Peloponnese Region
	Ionian Islands Region Directorate for Rural
	Economy Head
	Directory of Rural Economy
Umbria	RDP Management Authority
	Local Action Group ALTA Umbria
	Local Action Group Valle Umbra and Sibillin
	Local Action Group Ternano
	COLDIRETTI, Association of agricultural
	enterprises
	Agricultural Assistance Centre-CAA
Valencia Community	Agricultural Agency (AVFGA)
	Agriculture Council
<b>X7</b> 11. 11 A	Ministry of Agriculture
Valle d'Aosta	Department of Agriculture
	Management Authority of the Rural
	Development Programme
	Regional Agriculture Institute
	Regional Agency for disbursements in
	agriculture Terra Viva Valle d'Aosta
	Coldiretti Valle d'Aosta
West Pomerania	Marshal's Office of the West Pomeranian
	Voivodeship
	Faculty of Agriculture and Fisheries
	Department of Implementation of the Rural
	Development Programme
	Agricultural Consultancy Centre in Barzkowice
Harghita	Harghita County Development Agency
	Harghita County Rural Development
	Association
	Local producers
	Local public administrations
Vukovar-Srijem County	Local Action Group (LAG) "Srijem"
v unovar-orijem County	Department for Agriculture
	Development Agency

<sup>\*</sup> Not a member of RegHub

Croatian Chamber of Commerce – County Chamber Vukovar
Local Action Group (LAG) "Bosutski niz"

#### Annex II: Statistical results (EU survey)

Follow this <u>link</u> to get to the statistical results of the survey.



of the Regions

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