### **EUROPEAN GREEN DEAL RISK RADAR | NEW**

What to watch out for in the EU's new legislative term 2024–2029



# COMMON AGRICULTURAL POLICY STRATEGIC PLANS (CSPS)

Regulation (EU) 2021/2115 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans)

The Common Agricultural Policy (CAP) is the main instrument to regulate and finance farming in the EU. Its provisions influence how agriculture will protect biodiversity and the climate. Direct payments to farmers include eco-schemes that reward them for environmentally friendly practices, as well as sectoral support financed by the European Agricultural Guarantee Fund (EAGF). In addition, there are rural development measures funded by the European Agricultural Fund for Rural Development (EAFRD) and Member States, which can all potentially foster climate action. Member States are obliged to develop CSPs for the period 2023-2027 to access EU funds.

### WHAT'S IN IT?

**OBJECTIVE** 

### Climate ambition

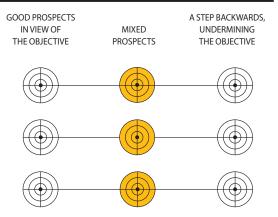
In view of respecting the limit of 1.5°C global warming under the Paris Agreement

### **Biodiversity**

Preserving biodiversity in the EU and beyond

### Zero pollution

Achieving zero pollution and a circular economy in the EU and beyond



2027

review.

EC second

performance

### **WHAT'S NEXT?**

**STATUS** 

MII FSTONES

### Entered into force 1 January 2023



Member States begin implementing national CSPs.

### 23 November 2023

European Commission (EC) report assessing joint effort of all CSPs.

#### 2024

Member States submit annual performance report to the EC. 25 May 2024

## Entry into force of Regulation

2024/1468 amending CSP Regulation (EU) 2021/2115 ('CAP Simplification').

### 2025

EC's first performance review of each CSP. February 2025

### Vision for EU Agriculture post-2027.

May 2025 Proposal for CAF post-2027.

#### By 31 December 2025

EC report assessing the operation of the New Delivery Model (NDM) by Member States.

### 2026

CAP 2023-2027: EC to carry out interim evaluation of the CAP 2023-2027

### By 31 Dec 2027

EC interim evaluation.

Post-2027 CAP: triloque for post-2027 CAP expected to begin: drafting of next CSPs to start in 2028 and implementation in 2029.

### WHAT TO WATCH OUT FOR?

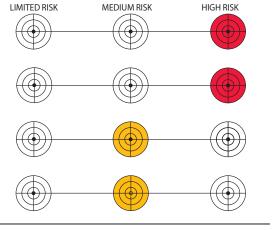
RISKS

**Speed**. Slowing down the EU law's progress or implementation.

Money. Conflict on distributional effects or lack of finance for making this EU law impactful.

**Licence for polluters.** Undermining the polluter-pays principle, increasing global pollution.

**Inequalities.** Allowing for practices that deepen global inequality.



NO RISK



eu.boell.org/green-deal-risk-radar

NOT APPLICABLE

### WHAT'S IN IT?

### • Climate ambition

Climate change mitigation and adaptation appears as a specific objective in CAP Strategic Plans.

As minimum standards, farmers receiving CAP payments must comply with Good Agricultural and Environmental Conditions (GAECs) and Statutory Mandatory Requirements (SMRs) set by EU environmental legislation. Climate-related GAEC standards include GAEC 1 (maintain the share of permanent grassland as a proportion of total agricultural area) and GAEC 2 (protect wetlands and peatlands).

### Biodiversity

Contributing to halting and reverse biodiversity loss, enhancing ecosystem services and preserving habitats and landscapes is a specific objective of CSPs. As minimum standards, GAEC 8 requires farmers to devote a proportion of arable land to nonproductive areas and features (among other obligations), to improve on-farm biodiversity.

### Zero pollution

Fostering sustainable development and efficient management of natural resources such as water, soil and air, including reducing chemical dependency, is also a specific objective of CSPs. The minimum standards required are: the establishment of buffer strips along watercourses, where fertilisers and chemical plant protection products cannot be applied (GAEC 4); requirements to limit erosion (GAEC 5 & 6); and reduce pesticide use (GAEC 7).

### WHAT TO WATCH OUT FOR? RISKS









Licence for polluters Inequalities



The Simplification Package has weakened some of the minimum standards set by the CSP Regulation and may therefore slow the CAP's progress in meeting the EU's environmental and climate targets. Furthermore, the available CAP budget - unlikely to increase in the next programming period – is insufficient to support the urgent transformation needed to make EU agriculture more resilient and competitive at the required pace. It remains to be seen whether the CAP budget can be maintained at its current level in the next Multiannual Financial Framework (2028-2034). Some direct payment schemes (especially basic income support, coupled support and investment aid schemes) enable continuation of unsustainable farming systems and practices, including inflated livestock numbers, input consumption, cultivation on drained peatlands and excessive irrigation, mainly due to weak national implementation.

"...linking socio-economic instruments to the realization of environmental and social requirements, has created complexity (implementation of practices, reporting), lack of adaptability (calendar deadlines, climate events) and weakened the function of income support for farmers, which is, as a consequence, not fulfilled in an efficient way.'

Strategic Dialogue for the Future of EU Agriculture, September 2024

### WHAT'S NEXT?



### Entered into force on 1 January 2023

### Revision clauses and reporting duties

Implementation and review of the CAP 2023-2027: The EC will conduct a performance review of each CSP in 2025, and then again in 2027, potentially leading to adjustments in the national CSPs. A report assessing the New Delivery Model and the CSPs' consistency and contribution to EU environmental and climaterelated commitments is scheduled for December 2025. An interim evaluation of the CAP is scheduled for December 2027. Development of the post-2027 CAP: The EC's Vision for the Future of EU Agriculture was published in February 2025. The legislative proposal for the post-2027 CAP is expected for mid-2025, with trilogue negotiations likely to take place in 2027. Drafting of the national CSPs for the next funding period is likely to start in 2028, with implementation expected to begin in 2029 if new legislation is adopted in 2028.

### Delegated acts and other related legislative action

With the adoption of Regulation (EU) 2024/1468 ('Simplification Package') in May 2024, many minimal standards that farmers need to comply with to receive payments have been weakened, and farms of less than 10 hectares of agricultural area are exempted from control and penalties.

### **HOW TO IMPROVE IT? OPPORTUNITIES**

Innovations introduced with the latest CAP reform, such as ecoschemes, have significant potential to improve the environmental and climate performance of the CAP. However, this will require substantial improvements in the design, implementation, monitoring and enforcement of national CSPs. Increased ambition and more effective implementation could be achieved through amendments within the current CAP period. In addition, better targeting of support schemes in the next CAP will be crucial. This might involve a redesign of existing schemes or the phasing out and reinvestment in new types of support schemes. Additionally, new policy instruments – such as a transition funding mechanism and market-based measures to generate public revenue, including a potential agricultural ETS - will need to be developed. Moreover, the European Commission's 2040 climate targets, expected in 2025, will likely include a dedicated emissions reduction goal for agriculture. To ensure targets are met, the EU may introduce new policies, such as the emissions trading mechanism for agriculture, or new mandatory climate standards for the sector.

### **FURTHER READING**

IEEP: Transforming EU land use and the CAP: a post-2024 vision, September 2023; European Court of Auditors (ECA): Common Agricultural Policy Plans. Greener, but not matching the EU's ambitions for the climate and the environment, September