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From:	Presidency
To:	Delegations
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Subject:	Preparation of the CAP Strategic Plans - <i>Exchange of views</i>

Delegations will find attached a Presidency discussion paper on Member States' preparation of their CAP Strategic Plans including steering questions for the ministerial discussion at the "Agriculture and Fisheries" Council on 11-12 October 2021.

Presidency discussion paper on the preparation of Member States' CAP Strategic Plans

On 1 June 2018, the European Commission presented three legislative proposals aimed at making the CAP fit for the future. The CAP reform focused on the shift from a compliance to a performance-based approach. Under this 'new delivery model', Member States will get more freedom to adapt direct payment, sectoral and rural development interventions to their needs on the basis of strategic planning, while having to report on the results achieved. The future CAP will comprise a new 'green' architecture based on enhanced environmental and climate conditions to be met by farmers and additional voluntary measures.

The new CAP will be organised through Member States' CAP Strategic Plans. The CAP Strategic Plans Regulation establishes the general parameters to guide their preparation, assessment and approval. At several occasions Ministers stressed that only legally binding acts should be used for the approval of the CAP Strategic Plans. Such a principle was finally enshrined in the provisions of the CAP Strategic Plans Regulation, as part of the political agreement reached during inter-institutional negotiations, confirmed by Ministers at the "Agriculture and Fisheries" Council on 28-29 June 2021 and finally endorsed by the Special Committee on Agriculture on 23 July 2021 after the finalisation of technical work¹. The formal adoption by both the European Parliament and the Council is awaited before the end of this year. No later than 1 January 2022, Member States have to submit their draft national Strategic Plans for assessment and approval by the Commission.

¹ Article 106(2): "[...] *The approval shall exclusively be based on acts which are legally binding on Member States*" (formulation as appearing in the final political agreement reached in July 2021 (doc. 11004/21 ADD 1 REV 2), subject to finalisation of the legal text by the lawyer-linguists.

The preparation of the CAP Strategic Plans represents a challenge for Member States and has been of particular concern for Member States from the outset. This process consists of a number of steps, some of them running in parallel, often requiring to go back to previous steps of the process and to revise a draft Strategic Plan due to, amongst others, updated data, agreements with stakeholders, the Commission's (informal) comments and those from the ex-ante evaluation. At the same time, the finalisation and adoption of the CAP reform legislation is still awaited, which makes this work even more complex, although the "substance" of the Regulations can be considered finalised as of July 2021.

The approval of the CAP Strategic Plans by the Commission should guarantee that the policy is implemented according to the common objectives and achieves the expected results, and contributes to impacts at the Union level in a fair way. In particular, the Commission will have to assess the consistency and contribution of the proposed CAP Strategic Plans to the EU's environmental and climate legislation and commitments and also to the EU targets for 2030 set out in the "Farm to Fork" and the "Biodiversity" Strategies.

In December 2020, the Commission provided each Member State with tailor-made recommendations on how to make the CAP Strategic Plans fit for purpose. They aim to assist Member States in the drafting of their CAP Strategic Plans by identifying the key areas on which each Member State should focus.

At the beginning of the implementation period, before 31 December 2023, the Commission will have to make a summary report on Member States' CAP Strategic Plans to assess the joint effort and collective ambition of Member States to address the specific objectives, taking into account the Union's targets for 2030 set out in the "Farm to Fork" and the "Biodiversity" Strategies.

Transparency and inclusiveness are important features of the CAP reform. As currently under programming of rural development, Member States are required to organise a partnership in the process of drawing up their CAP Strategic Plans in order to consult and involve in an effective and transparent manner the relevant partners, such as relevant public authorities, economic and social partners, including representatives of the agricultural sector, and other relevant bodies representing civil society. This partnership will not only allow Member States to build on available knowledge and expertise for the design of the plans, but will also increase the legitimacy of the future policy and facilitate its implementation.

Member States are currently preparing their Strategic Plans, based also on the Commission's country-specific recommendations. Given that a political agreement on the CAP reform package has been reached and the formal adoption is approaching, many Member States should be at the stage of finalising their CAP Strategic Plans and be prepared to formally submit them no later than 1 January 2022 as foreseen. On the basis of an informal feedback from the majority of Member States, it seems that nearly all Member States have prepared their needs' assessments and intervention strategies, which are being revised and up-dated. Other steps such as defining eligibility conditions for interventions, setting of targets and milestones for the relevant result indicators for each intervention, as well as setting of annual planned outputs and unit amounts per intervention, are ongoing in most Member States. Similarly, ex-ante evaluations and strategic environmental assessments are unfolding, with first reports completed. The first rounds of public consultations have taken place and further consultations are ongoing or are planned in the coming months.

Against the background set out above, at the "Agriculture and Fisheries" Council on 11-12 October 2021 Ministers will be invited to share their views on the progress towards the submission and approval of the Strategic Plans, in particular regarding the following questions:

1) What is the current state of drawing up your draft Strategic Plan? Are you facing any difficulties?

2) To what extent should the process of assessment and approval be transparent, having in mind the importance of accountability towards the general public, the objective of ensuring equal treatment of Member States (while respecting the flexibility in designing the CAP measures) and the need for timely administrative preparation at the EU and Member States level?

3) What are the key issues flagged by stakeholders during consultations? Are there any challenges with stakeholders' consultations and consultations of other governmental bodies, e.g. those in charge of environmental and climate policies?