

HEADING 2: Sustainable growth: natural resources**Common Agricultural Policy (CAP) - European Agricultural Guarantee Fund (EAGF) and European Agricultural Fund for Rural Development (EAFRD)*****EU added value CAP***

The Common Agricultural Policy (CAP) is a policy of strategic importance to: viable food production, the sustainable use of natural resources, and climate action as well as balanced territorial development. Through these three general objectives it contributes to the smart, sustainable and inclusive growth described in the Europe 2020 strategy, while also helping to achieve the 2014-2020 Commission priorities and many of the United Nations Sustainable Development Goals (SDGs). In this regard, the sector has increased its productivity by nearly 8% since 2005 while cutting greenhouse gas (GHG) emissions by more than 20% since 1990 and reducing fertiliser use with a positive impact on water quality. Moreover, the CAP enabled the development of the most integrated single market. Thanks to the CAP, the EU farm sector is able to respond to citizens' demands regarding food security, safety, quality and sustainability.

It does so through a range of policy tools that offer finance to the farm, food and forestry sectors, as well as to various other entities operating in rural areas – such as other non-agricultural businesses, non-governmental organisations (including environmental bodies) and local authorities. Impact assessment work carried out to prepare the legislative proposals for the 2013 CAP reform clearly showed a high economic, environmental and social cost of "no policy action" in this domain. This was confirmed by the Scenar 2030 JRC report, prepared in the framework of the impact assessment for the CAP post-2020 proposal¹.

The CAP is a genuinely "European" policy. Although Member States enjoy significant powers concerning detailed implementation of the CAP, the policy is clearly "common", based on well-defined rules and mechanisms and funded primarily by the EU budget. In addition, CAP funds in rural development attract national, regional and private funds, leveraging the impact of the policy. Such a common policy allows a more effective response to transnational goals and cross-border challenges - such as food security, mitigating climate change, enhancing biodiversity and contributing to economic and social cohesion. It also ensures a level playing field in the single market and a stronger position in trade negotiations. The fact that the CAP accounts for a significant proportion of the EU budget flows naturally from its ambitious scope and from this status as an EU level policy. However, the overall approach offers both the most effective response to the policy challenges identified and the most efficient use of budgetary resources, as the running of 28 different and competing national policies would be less effective and more costly. Nevertheless, the approach also allows sufficient flexibility in implementation to cater for local needs.

Outlook for the 2021-2027 period

On 1 June 2018, the European Commission presented legislative proposals on the Common Agricultural Policy (CAP) for the period post 2020. These proposals aim to make the CAP more responsive to current and future challenges such as climate change or generational renewal, while continuing to support European farmers for a sustainable and competitive agricultural sector.

- Proposal for a Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common Agricultural Policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council (COM(2018) 392)
- Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the Common Agricultural Policy and repealing Regulation (EU) No 1306/2013 (COM(2018) 393)
- Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatized wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favor of the smaller Aegean islands (COM(2018) 394).

In addition, the Commission has also made a proposal providing certainty and continuity in the granting of support to European farmers in the years 2019 and 2020 (COM(2018) 817 of 07/12/2018). The proposal was adopted by the co-legislators on 13/02/2019².

¹ <http://publications.jrc.ec.europa.eu/repository/bitstream/JRC109053/kjna28883enn.pdf>

² Regulation (EU) 2019/288 of the European Parliament and of the Council of 13 February 2019 amending Regulations (EU) No 1305/2013 and (EU) No 1307/2013 as regards certain rules on direct payments and support for rural development in respect of the years 2019 and 2020, OJ L 53, 22.2.2019, p. 14–16

General objectives

General objectives are applicable for both EAGF and EAFRD.

General Objective 1: To promote a viable food production

Indicator 1: Agricultural factor income								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							Long term target
112	Actual results							To increase
	113	110	112	126	121	123		

Comment: New proposal: if the trend is more important than a comparison across countries, the index is preferred over the absolute values. Please note that we need to state the online data code in the data source (done here).

Source: Eurostat - economic accounts for agriculture (online data code: aact_eaa06)

Unit of measure: Index (2010=100)

Indicator 2: Agricultural productivity								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2005	Milestones foreseen							Long term target
100.0	Actual results							To increase
	106.4	107.0	109.4	109.5	110.0			

Source: DG AGRI calculation based on Eurostat data

Unit of measure: Index (2005=100)

Indicator 3: EU commodity price variability								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2017	Milestones foreseen							Long term target
Beef World: 9%	Actual results							EU variability lower than the world
					7%	6%		
2017	Milestones foreseen							Long term target
Beef EU: 2%	Actual results							EU variability lower than the world
					3%	3%		
2017	Milestones foreseen							Long term target
Poultry World: 12%	Actual results							EU variability lower than the world
					14%	14%		
2017	Milestones foreseen							Long term target
Poultry EU: 3%	Actual results							EU variability lower than the world
					2%	2%		
2017	Milestones foreseen							Long term target
Pig World: 16%	Actual results							EU variability lower than the world
					17%	16%		
2017	Milestones foreseen							Long term target
Pig EU: 10%	Actual results							EU variability lower than the world

					9%	11%		world
2017	Milestones foreseen							Long term target
Soft wheat World: 10%	Actual results							EU variability lower than the world
					9%	9%		
2017	Milestones foreseen							Long term target
Soft wheat EU: 7%	Actual results							EU variability lower than the world
					10%	9%		
2017	Milestones foreseen							Long term target
Maize World: 6%	Actual results							EU variability lower than the world
					5%	5%		
2017	Milestones foreseen							Long term target
Maize EU: 5%	Actual results							EU variability lower than the world
					6%	7%		
2017	Milestones foreseen							Long term target
Barley World: 9%	Actual results							EU variability lower than the world
					15%	14%		
2017	Milestones foreseen							Long term target
Barley EU: 10%	Actual results							EU variability lower than the world
					14%	12%		
2017	Milestones foreseen							Long term target
Butter World: 30%	Actual results							EU variability lower than the world
					24%	13%		
2017	Milestones foreseen							Long term target
Butter EU: 29%	Actual results							EU variability lower than the world
					25%	17%		
2017	Milestones foreseen							Long term target
Cheese (Cheddar) World: 13%	Actual results							EU variability lower than the world
					13%	7%		
2017	Milestones foreseen							Long term target
Cheese (Cheddar) EU: 9%	Actual results							EU variability lower than the world
					9%	4%		
2017	Milestones foreseen							Long term target
Skimmed milk powder (SMP) World: 14%	Actual results							EU variability lower than the world
					10%	8%		
2017	Milestones foreseen							Long term target

Skimmed milk powder (SMP) EU: 9%	Actual results							EU variability lower than the world
					12%	17%		
2017	Milestones foreseen							Long term target
Whole milk powder World: 18%	Actual results							EU variability lower than the world
					15%	7%		
2017	Milestones foreseen							Long term target
Whole milk powder EU: 14%	Actual results							EU variability lower than the world
					13%	5%		

Source: DG AGRI

General Objective 2: To promote a sustainable management of natural resources and climate action

Indicator 1: Greenhouse gas emissions from agriculture

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							Long term target
488 101.8	Actual results							To decrease
	498 596	488 102	491 403	501 636				

Comment: Values have changed compared to figures provided in the previous Programme Statement because the EEA has updated figures also for previous years.

Source: Annual European Union GHG inventory (sectors 3.a, 3.b, 3.c, 3.d, 4.c and 4.d). The inventory is based on national submissions to the UNFCCC and to the EU Monitoring Mechanism of CO₂ and other GHG emissions. It is compiled and held by the European Environment Agency (EEA) and the European Topic Centre on Air and Climate Change (ETC/ACC) and data are published in the Eurostat database.

Unit of measure: Thousand tonnes of CO₂ equivalent

Indicator 2: Water abstraction in agriculture: volume of water applied to soils for irrigation purposes

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2010	Milestones foreseen							Long term target
Bulgaria: 753.35	Actual results							To decrease
	436.6	675.7	736.1	647.2				
2010	Milestones foreseen							Long term target
Czech Republic: 19.7	Actual results							To decrease
	16.8	31.8	17.4	27.8				
2010	Milestones foreseen							Long term target
Denmark: 192.7	Actual results							To decrease
	260.1	122.1	178.9					
2010	Milestones foreseen							Long term target
Germany: 179.6	Actual results							To decrease
			210.0					
2010	Milestones foreseen							Long term target
Greece:	Actual results							To decrease
	8 232.2	8 232.2	8 961.2					

2010	Milestones foreseen							Long term target
Spain: 21 300	Actual results							To decrease
	20 014	18 872	18 645					
2010	Milestones foreseen							Long term target
France: 3 033.12	Actual results							To decrease
2010	Milestones foreseen							Long term target
Croatia: 8.47	Actual results							To decrease
2010	Milestones foreseen							Long term target
Cyprus: 148.4	Actual results							To decrease
	147.3	164.2	169.3	166.2				
2010	Milestones foreseen							Long term target
Lithuania: 1.2	Actual results							To decrease
	0.4	0.4	0.4	0.5				
2010	Milestones foreseen							Long term target
Luxembourg: 0.0	Actual results							To decrease
	0.0	0.1						
2010	Milestones foreseen							Long term target
Hungary:	Actual results							To decrease
	98.0	110.0						
2010	Milestones foreseen							Long term target
Malta: 25.7	Actual results							To decrease
	27.2	24.4	24.5	24.7				
2010	Milestones foreseen							Long term target
Netherlands: 82.3	Actual results							To decrease
	41.9	69.0	38.0					
2010	Milestones foreseen							Long term target
Austria: 18	Actual results							To decrease
2010	Milestones foreseen							Long term target
Poland: 75.1	Actual results							To decrease
	80.8	84.9	88.5	80.7				
2010	Milestones foreseen							Long term target
Portugal:							To decrease	

	Actual results							
				3 395				
2010	Milestones foreseen							Long term target
Romania: 235	Actual results							To decrease
	226	364	330	440				
2010	Milestones foreseen							Long term target
Slovenia: 1.6	Actual results							To decrease
	1.7	3.6	3.3	3.9				
2010	Milestones foreseen							Long term target
Slovakia: 7	Actual results							To decrease
	13.7	21.6	11.5	22.4				
2010	Milestones foreseen							Long term target
Sweden: 62	Actual results							To decrease
		48						
2010	Milestones foreseen							Long term target
United Kingdom: 103.9	Actual results							To decrease
	89.2							

Data availability: No data reported for the following countries: Belgium, Estonia, Ireland, Italy, Latvia, Finland.

Source: Eurostat – environment statistics

General Objective 3: To promote a balanced territorial development

Indicator 1: Rural employment rate

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
63.4%	Actual results							To increase
	64.2%	65.0%	65.9%	67.2%	68.1%			

Narrative: Past Results: 2010: 62.7% 2011: 62.5% 2012: 63.4%

Source: Eurostat – Labour Force Survey

Programme contribution to the Sustainable Development Goals

SDGs are applicable for both EAGF and EAFRD.

SDG 1 End poverty in all its forms everywhere

The CAP aims to ensure a **fair standard of living for farmers** – and more broadly, to **reduce poverty** in rural areas.

Relevant CAP tools include direct payments to farmers, market support instruments, and rural development support for job creation and training (agricultural and non-agricultural).

At global scale, with 80% of the very poor depending on agriculture for their livelihoods, the EU is facilitating responsible private investments in developing countries, notably in the agri-food sector to create growth and jobs and address root causes of irregular migration.

SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

The CAP aims to help provide a stable (as well as safe and sustainably produced) supply of food at reasonable prices for consumers. Doing so for EU consumers contributes in itself to global food security. The EU makes a further contribution by

supplying large amounts of food (worth around EUR 120 billion a year) according to global demand and without any export refunds, in contrast to previous decades.

Relevant CAP tools include direct payments and market instruments (to safeguard production potential against serious disruption), the EU School Scheme (which encourage healthy diets among schoolchildren), and various tools which foster the environmental aspect of sustainability (see SDG 15).

Illustrative example

The EU school scheme supports the distribution of fruit, vegetables and milk to schools across the European Union as part of a wider programme of education about European agriculture and the benefits of healthy eating. The consumption of fresh fruit and vegetables and of milk in the EU does not meet the international or national nutritional recommendations while that of processed food that is often high in added sugar, salt, fat or additives is on the rise. Unhealthy diets, together with low physical activity, result in overweight and obesity. This is why the EU takes action to help children follow a healthy diet and lead healthy lifestyles.

SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The CAP aims to improve knowledge transfer in the farm and forestry sectors and in rural areas overall, as a means of improving sustainability and productivity of agriculture and the economic, environmental and social conditions in rural areas.

Relevant tools include support through rural development programmes for training, coaching, workshops, demonstration projects, use of tailored advice etc. – for persons engaged in the agriculture, food and forestry sectors, as well as for land managers and SMEs operating in rural areas.

SDG 6 Ensure availability and sustainable management of water and sanitation for all

The CAP aims to foster sustainable management of natural resources. This explicitly includes the objectives of improving water management (including in terms of water quality) and making the farm sector more water-efficient.

Pertinent tools include the water-relevant components of cross-compliance and "greening" (see SDG 15 for further information), various payments through rural development programmes to make farming less intensive (especially agri-environment-climate measures), and support for investments in more efficient irrigation systems.

SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all

The CAP aims to increase efficiency of energy use in farming and food processing, as well as to facilitate the supply and use of renewable sources of energy.

Relevant tools include rural development support for investments in generating renewable energy (including on the farm) and in infrastructure for its distribution – with regard to biomass and other renewable sources (for solar, geothermal and wind power).

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The CAP aims to improve the viability of all types of agriculture in all regions, as well as to foster wider social inclusion and reduce poverty in rural areas.

Relevant tools include direct payments and market instruments (for the development of the farm sector, to which many other sectors are connected), the recent initiative to tackle unfair trading practices, as well as risk management tools and rural development support for business start-ups (for new young farmers and non-agricultural businesses) and investments in further business development.

SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

The CAP aims to foster innovation in agriculture, forestry and rural areas, as well as to help provide what is needed for general economic development in rural areas (including access to IT services).

Relevant tools include rural development support for the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors (especially through the European Innovation Partnership for Agricultural Productivity and Sustainability) as well as for broadband infrastructure, general small-scale infrastructure and training.

Illustrative example

The CAP offers explicit support for setting up, expanding and improving broadband infrastructure, as well as for the provision of broadband internet access (i.e. improved connections to infrastructure), and access to e government. According to targets aggregated from the 2014-2020 rural development programmes, in the current programming period, the CAP will help 18 million people living in rural areas to benefit from improved access to ICT services and infrastructure.

SDG 12 Ensure sustainable consumption and production patterns

One of the CAP's main objectives is to provide a stable, sustainably produced supply of safe food at affordable prices for consumers. This includes for examples an EU framework on organic farming, and the integration of environmental concerns, such as biodiversity, water management and use and climate change, into the CAP. The CAP is committed to sustainable use of natural resources and the environmentally-sound management of waste, also for food losses.

With regard to the key tools which help to ensure environmentally sustainable production, see SDG 15.

SDG 13 Take urgent action to combat climate change and its impacts

The CAP aims to assist **climate change mitigation** and **adaptation**.

Relevant tools include those elements of cross-compliance and "greening" (see SDG 15) pertinent to climate change - as well as rural development support for a range of practices and investments that cut greenhouse gas and ammonia emissions from farming (e.g. through more climate-friendly equipment), fix carbon in the soil (e.g. through forest-planting) and make farming more climate-resilient (e.g. with less water-intensive cropping patterns).

SDG 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

The CAP aims to ensure the **sustainable use of natural resources** – including in terms of biodiversity, soil, water and landscapes.

A wide range of tools are relevant. Within the system of direct payments to farmers, "cross-compliance" links payments to various basic environmental standards. Beyond that, the "greening" layer of the system rewards farmers for implementing crop diversity, preserving permanent grassland and maintaining biodiversity-friendly zones or landscape features. Within rural development policy, various area-based payments help farmers to pursue organic farming, implement certain Natura 2000 requirements, farm sustainably in areas facing natural disadvantages (especially mountainous areas), and (through agri-environment-climate measures) make extra efforts to benefit soil, water, air and wildlife. Support for eco-friendly investments can cover resource-efficient technologies, establishment of landscape features, and various forest-related activities (planting, protection against fire and other natural threats etc.) Support for training, the use of advice, and innovation is also relevant.

Illustrative example

Recent production and market trends show the importance that organics has gained over the last decade. Organic farming responds to a specific consumer demand for sustainable food products, promoting more sustainable farming practices and contributing to the protection of the environment and improved animal welfare.

For the 2014-2020 period, the rural development support planned for organic farming amounts to EUR 11.2 billion.

The share of the EU's utilised agricultural area with organic farming has increased from 5.6% in 2012 to 7.5% in 2018 corresponding to an increase from 10.05 to 13.44 million hectare.

HEADING 2: Sustainable growth: natural resources**European Agricultural Guarantee Fund (EAGF)****Lead DG: AGRI**

Associated DGs: ESTAT

I. Overview***What the programme is about?***

The EAGF limits the loss of viable jobs and output within the farm sector and many sectors which depend on it, improves care for the environment and responds to consumer expectations in terms of food security, food safety, food quality and food nutrition. Direct payments provide a basic protection of farm income against the particular shocks to which agriculture is exposed (notably price- and weather-related). At the same time, direct payments are closely tied to requirements and offer public benefits of importance to EU citizens. Cross-compliance links direct payments to standards concerning the environment, food safety, animal and plant health and animal welfare throughout the EU. Furthermore the "greening" layer of direct payments rewards farmers for additional environmental care (related to crop diversity, permanent grassland and ecologically beneficial zones or landscape features).

The Common Market Organisation provides a framework of rules on issues such as market support measures, product standards, labelling and producer cooperation, helping farmers in times of severe market disturbance, strengthening the competitiveness of farmers and supporting the well-functioning of the internal market.

EU added value of the programme

Within the EAGF, direct payments provide relative income stability to farmers facing significant price and production volatility - which helps to keep the EU's vital high-quality food production base spread around the Union. Market instruments support increasing the potential of certain sectors, organisation and quality improvement and supplement the protection offered by direct payments, stabilising markets in times of serious disturbance. At the same time, the EAGF is closely tied to requirements and public benefits of importance to EU citizens. Cross-compliance links direct payments to standards concerning the environment, food safety, animal and plant health and animal welfare throughout the EU, while the "greening" layer of payments rewards farmers for additional environmental care (related to crop diversity, permanent grassland and ecologically beneficial zones or landscape features). Finally, the EAGF's Common Market Organisation provides a framework of rules on issues such as market support measures, product standards and labelling. The overall effect is that the EAGF helps to limit losses of viable jobs and output (within the farm sector and the many sectors which depend on it), improve care for the environment and meet consumer expectations. It thus encourages smart, sustainable and inclusive growth, helping to achieve the CAP objectives of viable food production, sustainable management of natural resources (with climate action) and balanced territorial development.

The EAGF adds value by operating at EU level primarily in three ways. First, it responds more effectively and efficiently to cross-border challenges – such as underpinning food security, mitigating climate change, caring for natural resources such as soil, air and water, restoring biodiversity and strengthening economic and social cohesion. Secondly, it preserves a level playing field in the single market. Finally, it makes possible a stronger common position in trade negotiations.

Evaluations of the various elements of the CAP are conducted on a regular basis and their results are incorporated in impact assessments preparing new initiatives. The indicators set out in the context of the common monitoring and evaluation framework¹ will serve as a basis for future evaluations. Based on these, results on the performance of the CAP were presented in 2018 in a report to the European Parliament and Council.²

Implementation mode

Directorate-General for Agriculture and Rural Development (DG AGRI) is the lead DG for the programme implementation. The bulk of CAP expenditure is implemented through shared management with the Member States for interventions in agricultural markets and direct support (EAGF) as well as rural development (EAFRD). Implementation vis-à-vis final beneficiaries is delegated to the Member States, while the Commission is responsible for the implementation of the overall legal framework, budget implementation and for Member States' supervision. The CAP legislation provides that Member States shall accredit Paying Agencies which are dedicated bodies responsible for the management and control of Union funds, notably payments to beneficiaries and financial reporting to the Commission.

Only a fraction of CAP expenditure concerns actions under direct management by the Commission: contracts are concluded directly with third parties to supply the Directorate General with data, studies, promotion activities and information and

¹ Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy.

² Report from the Commission to the European Parliament and the Council on the implementation of the Common Monitoring and Evaluation Framework and first results on the performance of the Common Agricultural Policy (COM(2018) 790 final)
https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/report-implementation-cmef_december2018_en.pdf

communication activities, etc. An important part of the operational management of the promotion of agricultural products is delegated to the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA).

II. Programme Implementation Update

Implementation Status 2017-2019

Market related expenditure

Within the Common Market Organisation (CMO), sector-specific support programmes are operating at various points in their respective life cycles. For example, for the wine national support programmes, 2019-2023 is the third programming period since the reform in 2009. Support in the wine programmes is concentrated in restructuring of vineyards and wine promotion. The apiculture programmes follow a three-year programming period. In 2019, the Commission approved the apiculture programmes for 2020-2022³ in line with the legal requirements in the CMO regulation.

Support for producer organisations in the fruit and vegetables sector is implemented on the basis of annual plans. The current triannual support programmes to producers' and inter-branch organisations in the olive oil and table olives sector concern the programming period April 2018-March 2021.

The EU school fruit, vegetables and milk scheme, bringing together the former school fruit and school milk schemes under a single legal framework, applied for the first time in school year 2017/2018. All Member States participate in the reformed scheme⁴.

Additional market support measures such as private storage aid and public intervention for certain dairy products or exceptional support measures for certain producers of fruit and vegetables adopted in the wake of the Russian import embargo since the second half of 2014 were progressively discontinued between 2016 and 2018 thanks to an improvement of the market situation in the sectors concerned.

By June 2019, all public stocks of skimmed milk powder bought in between 2015 and 2017 were successfully placed back on the market. Due to the excess in supply following the 2018/19 harvest, the aid for private storage of olive oil was activated in November 2019 (with four tendering sub-periods in November, December 2019, January and February 2020 and a storage period of 180 days).

In general, implementation of the EAGF market related schemes is on track with a positive evolution of the execution over the years and no significant implementation difficulties.

Direct payments

For direct payments, financial years 2014 and 2015 covered pre-reform schemes. In addition, in 2015 the EAGF covered already some elements of the 2013 CAP reform, including the convergence of the direct payments' aid levels between Member States ("external convergence"). As of financial year 2016, the new structure of direct payments has been financed. Beyond the compulsory elements of the new direct payments schemes, Member States have considerable flexibility in the implementation, following their main implementation choices made in 2014. These choices allow Member States to target support at their specific priorities.

The Commission services have since 2014 assisted Member States in preparing and implementing the reformed direct payments through, for example, guidance documents or discussions in expert group meetings. While in financial year 2016, payments to farmers were in certain cases made later than usual, as of financial year 2017, the implementation has returned to a normal rhythm and thanks to the Commission assistance is more and more uniform across Member States. This implementation of the direct payments has been also accompanied by a green Declaration of Assurance from the European Court of Auditors for 2016 - the first year of implementation of post 2013 reform direct payments schemes. Direct payments were free from material error again in 2017 and 2018.

In general, implementation of the direct payments is on track with a positive evolution of the execution over the years, with for example a good progress noted for the execution of the young farmers' scheme.

Key achievements

Market related expenditure

The EU no longer offers agricultural export refunds. However, with fairness and economic efficiency, the CAP strengthens the farm and agri-food sectors' ability to compete on overseas as well as domestic markets. After several years where market support measures in the fruit and vegetables and livestock sectors were needed to rebalance the sectors concerned, as of 2018 a substantial market stabilisation was observed⁵: the exceptional withdrawal measures in fruit and vegetables sector were discontinued as of mid-

³ Commission Implementing Decision (EU) 2019/974 of 12 June 2019, OJ L 157, 14.6.2019.

⁴ Greece started to implement the scheme as of school year 2018-2019.

⁵ Between 2015 and 2017, as a result of the combined effect of the end of milk quotas and the Russian ban on a.o. dairy products, milk prices for farmers dropped substantially. Market interventions, including buying up temporarily excess quantities into intervention stocks helped to stabilise the market and prevent the worst for the EU dairy sector. Likewise, exceptional support measures for certain producers of fruit and vegetables have been adopted in the wake of the Russian import embargo since the second half of 2014. They were progressively discontinued between 2016 and 2018.

2018. By 2019, over 380 000 tonnes of public intervention stocks of skimmed milk powder (SMP) were sold, reflecting the improved situation on the dairy market. European agriculture showed its resilience after the recent crises, finding alternative domestic markets and abroad (in particular in Asia and the US), as evidenced by the trade statistics.

Total export values reflect an increase in 2019 compared to 2018 (+ EUR 7.7 billion of agri-food exports following a decrease of EUR 645 million of agri-food exports between 2018 and 2017). Exports of beverages kept on increasing in 2019 by +8.5%. This is the case for wine confirming the success of wine national support programmes witnessed by the long-term development of EU wine exports - which, between 2012 and 2019, continued to increase in value from EUR 8.9 billion to EUR 12.6 billion and bring now a net contribution of EUR 9.8 billion to the EU trade surplus. After increasing strongly in the first year post quota, sugar exports went down to a level similar to the quota period in 2019 (EUR -0.6 billion or -53% compared to 2018).

Exceptional support measures were adopted in 2019 to compensate farmers in Italy for the health and veterinary restrictions to address avian influenza⁶.

In 2019, the Commission reported on the implementation of the apiculture programmes in previous years⁷. The report shows that the uptake of the programmes remained high, showing their relevance. The number of beehives, one indicator of the impact of the EU support measures, continued its long-term increase, and reached more than 17.5 million hives in 2018, the highest number ever notified in the EU. The increase is also reflected in the growth of EU honey production by 16% between 2014 and 2018.

In 2019, the Member States' monitoring reports on the implementation of the EU school fruit, vegetables and milk scheme in the 2017/2018 school year showed that the scheme reached more than 20 million children⁸ or 20% of the total number of children aged 0 to 18 in the EU. School children received more than 65.5 million kilos of fresh fruit or vegetables and 178 million litres of milk. 16 million school children had lessons, lectures or workshops, 6.3 million participated in tasting classes, cooking workshops, etc., 1 million school children participated in school gardens, 1.1 million children visited farms, dairies, farmers' markets and similar activities. The Commission made available a factsheet in all EU languages with key figures and examples to illustrate to the wider public how the school scheme works⁹. A video with activities by schoolchildren in a selection of countries featured amongst the testimonials of actions taken for healthy lifestyles at a seminar that the Commission organised in Brussels in June 2019, gathering public authorities and private stakeholders in the agriculture, health and sports sector¹⁰.

Direct payments

In claim year 2018 (corresponding to financial year¹¹ 2019), the fourth year of implementation of the reformed system, about 6.2 million farmers (-1.6% compared to previous year, in line with the average declining trend¹² in the total number of farmers) benefited from direct payments and the total determined area (154.1 million hectares, relatively stable¹³ since the entry into force of the 2013 CAP reform) covered some 86% of the EU Utilised Agriculture Area (179.1 million hectares).

The re-balancing of the distribution of payments between and within Member States has continued. The various schemes allowing further targeting of the needs of certain categories of beneficiaries, in particular the young farmers, the small farmers and certain specific sectors or regions with structural problems are fully in place. Where necessary, Member States have revised their decisions within the limits of the flexibility given by the new system in order to adjust the modalities of implementation building on the experience gained in the first year.

From claim year 2018, as a result of the agreement on the so-called "Omnibus Regulation"¹⁴, amendments to the rules applicable to certain direct payment schemes came into force. These amendments serve to improve the functioning of the direct payment schemes concerned and to simplify their implementation: e.g. the possibility to overbook the Single Area Payment Scheme; additional review possibilities with regard to voluntary coupled support, decisions on the flexibility between pillars; clarification of

⁶ Commission Implementing Regulation (EU) 2019/1323 of 2 August 2019 on exceptional market support measures for the eggs and poultry meat sectors in Italy, OJ OJ L 206, 6.8.2019.

⁷ Report from the Commission to the European Parliament and the Council on the implementation of the apiculture programmes, [COM\(2019\)635](#) final of 17.12.2019

⁸ Source: Member States monitoring reports sent by 31.1.2019, available at: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/school-fruit-vegetables-and-milk-scheme/country_en.

⁹ https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/school-scheme-factsheet_en.pdf

¹⁰ Tartu call for a healthy lifestyle two years later: seminar to take stock. Brussels, 19 of June 2019. https://ec.europa.eu/health/nutrition_physical_activity/events/ev_20190619_en

¹¹ The agricultural financial year covers expenditure paid and revenue received and entered in the accounts of the Funds budget by the paying agencies in respect of financial year "N" beginning on 16 October of year "N- 1" and ending on 15 October of year "N".

¹² The number of beneficiaries declines regularly (on average between -2.3% since 2012). This reflects the trend in the total number of farms (see for example <https://ec.europa.eu/agriculture/sites/agriculture/files/statistics/facts-figures/farm-structures.pdf>). The number of new farmers is always below the number of farmers exiting.

¹³ Since the first year of application of the CAP reform, the determined area is relatively stable at 155-154 million ha. Before that it was around 147-148 million ha. The increase is related to the implementation of the reform, in particular the new allocation of entitlements covering more farmers and thus potentially more areas. Since 2015, the annual changes can be linked to different factors: areas found ineligible by audits excluded, entry of areas not yet declared, exit of other areas...

¹⁴ Regulation (EU) 2017/2393 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material (OJ L 350, 29.12.2017, p. 15-49).

the Member States responsibilities with regard to voluntary coupled support with retroactive effect from claim year 2015; amendments to the definition of permanent grassland; the possibility for Member States to stop applying the mechanism of the negative list under the active farmer clause etc. The corresponding alignment of the delegated and implementing acts for direct payments were adopted in 2018.

The "greening" layer of direct payments accounts for 30 percent of Member States' annual direct payment ceilings and covers annual obligations beneficial for the environment and climate (crop diversification, maintenance of permanent grassland, and the dedication of five per cent of arable land to ecologically beneficial areas ("ecological focus areas" or EFAs). As of 2018, 79% of the total EU agricultural area was subject to at least one "greening" obligation, increasing the environmental impact of the measure.

Starting from 2018, the amendments of the "Omnibus Regulation" that covered for greening new optional criteria on ploughing up permanent grassland, simplification of certain EFA and crop diversification rules and the extension of the list of EFA types to some energy crops and land lying fallow for melliferous plants influenced the implementation of greening obligations¹⁵. Modifications of the delegated act for direct payments to take account of the newly introduced EFA types became applicable as of 2019.

For 2017, 2018 and 2019, responding to the consequences of the exceptional weather conditions in several Member States (drought, heavy rainfalls, snowfalls, frost), the Commission granted derogations to certain greening rules (EFA, crop diversification) to alleviate the situation of affected farmers in those countries. For 2018, 7 out of 8 authorised Member States decided to exempt affected farmers from crop diversification rules to help coping with the consequences of exceptional precipitation. Motivated by the need to alleviate the effects of the drought on the availability of fodder for livestock, 7 Member States in 2017, 11 (out of 13 authorised) in 2018 and 6 in 2019 applied derogations to some requirements for land lying fallow, and catch crops counted for crop diversification or ecological focus area obligation. Data for 2018 indicates that 3 to 4% of farmers operated under such relaxed rules from crop diversification which applied on 3 to 4% of arable land that would otherwise have to be diversified according to the standard rules, and that derogated EFA areas appear to have supplemented to some extent the overall areas available for fodder production affected by the drought.

Common monitoring and evaluation framework

As a part of the 2013 CAP reform, the common monitoring and evaluation framework (CMEF) has been improved and expanded to provide reliable information on the extent to which the CAP as a whole is achieving its objectives. This framework includes a set of common impact indicators for the overall CAP, as well as separate result and output indicators for the CAP's first pillar (direct payments and market related expenditure) and second pillar (support for rural development).

On 5 December 2018, the European Commission published an initial report to the Council and European Parliament on the [implementation of the CMEF and the first results assessing the performance of the CAP](#)¹⁶. All the CMEF indicators were also published. Selected indicators are presented visually and interactively in the [dashboard by theme](#), including farming income support, climate change and air quality, market orientation and organic production. In these dashboards, Member States can find already a large part of the information they need to start working on their Strategic Plans for the period post 2020.

By end 2021, a further report will present a more comprehensive assessment of the impact of the CAP.

Simplification

Starting in 2015, a simplification exercise involving the Commission, Member States, other EU institutions and stakeholders has led to a series of changes to regulations and guidance documents to the benefit of Member States' administrations and farmers.

In 2015, legislative amendments had already entered into force or were finalised concerning increased flexibility and simplification in relation to voluntary coupled support; eligibility for the young farmers' payment in the case of farms managed jointly; and five simplifications of the Integrated Administration and Control System (IACS) - including the introduction of preventive preliminary cross-checks. Furthermore, changes were made to guidance documents on direct payments in relation to the implementation of ecological focus area.

A number of further simplifications and modifications of IACS rules, including a lowering of the penalties for area overdeclaration, were introduced with effect for 2016, and a review of certain greening rules after the first year of its application was conducted. In 2017, the Commission pursued amendments of certain greening rules to better specify what is required from farmers, eliminate certain technical requirements, provide more flexibility for farmers or alternative solutions where this would increase the environmental and climate benefit of greening and harmonise selected requirements and conditions. As part of the amended rules, a ban on the use of plant protection products was implemented in 2018 for the first time on EFA areas.

¹⁵ Providing Member States with an option not to classify grassland as 'permanent' if ploughed within a period of 5 years allows accommodating the diversity of agricultural systems across the Union. In 2018, eight MS decided to apply this option. Certain additional flexibility for farmers came from streamlined exemptions from crop diversification or EFA rules for farms with substantial shares of grasslands, fallow land, leguminous crops or crops under water. In turn, new EFA types broadened the choices that Member States may offer to farmers for meeting this requirement. In 2019, 11 MS had fallow land for melliferous on their list of EFAs, 7 opted for adding *Miscanthus* and 5 for *Silphium Perfoliatum*.

¹⁶ Report from the Commission to the European Parliament and the Council on the implementation of the Common Monitoring and Evaluation Framework and first results on the performance of the Common Agricultural Policy, COM/2018/790 final

As from 2018, the Commission adopted legal provisions¹⁷ and provided the technical guidance to enable Member States to take advantage of freely available satellite data (the Copernicus programme) to monitor areas claimed for aid as an alternative to carry out often costly on-the-spot checks. Several Member States have decided to introduce 'checks by monitoring' for part of the aid schemes and/or areas as from 2019. This choice of the monitoring approach will equally deliver on the assurance. The monitoring approach is expected to offer great potential for simplification of administrative and control-related tasks, but also for monitoring of the CAP's performance in a much wider sense.

Furthermore, secondary legislation was adapted for greening to follow up on the Omnibus amendments allowing Member States to benefit fully from simplifications. For specific programmes for the outermost regions and smaller Aegean islands, secondary legislation was adapted to clarify and simplify amendments of programmes following the conclusions of an evaluation performed in 2017.

In the area of the CMO, several sector specific-rules have been simplified. The EU school fruit, vegetables and milk scheme (School schemes), which applied as from 1 August 2017, has reduced the administrative and organisational burden and simplified obligations: Member States drew up only one strategy by 31 July 2017, covering a period of 6 years, and are required to submit only one annual request for aid. Moreover, several Member States made use of the synergies that are possible for the monitoring and evaluation reports and, in general, as regards implementation of the scheme (distribution of products, educational measures etc.) Regulation (EU) 653/2014 simplified the provisions on voluntary beef labelling to reduce the administrative burden for both operators and competent authorities. In 2019, the Commission reported on the implementation and impact of these provisions¹⁸. Overall, most Member States and stakeholders consulted for the preparation of the report considered the provisions positively with regard to simplification and effectiveness and reliability of the new system.

At the level of basic acts, the Commission's proposal for a so-called "Omnibus Regulation" included a range of more technical changes to the four basic regulations of the CAP. The Commission proposals covered simplification in a broad sense, including flexibility and subsidiarity. The regulation, in force since 1 January 2018, included most of the Commission's most important simplification proposals. Examples are the provisions on active farmer under direct payments and on the Member State's responsibilities with regard to Voluntary Coupled Support. Also, a number of additional changes proposed by the European Parliament and/or the Council are included, for example on permanent grassland, greening and voluntary coupled support under direct payments and provisions on fruit and vegetables, wine, producer cooperation and competition under the CMO.

Evaluation/studies conducted

The **support study for the evaluation of the impact of the CAP on generational renewal in the agricultural sector** found that the relevant measures of the CAP have a positive impact on generational renewal in agriculture and employment, despite the difficulty to isolate the effects of individual CAP measures and the strong influence of external factors. The generational renewal measures support the performance of farm businesses, their resilience and the secure transfer of farms from an older to a younger generation. Rather than encouraging farm succession, these measures are more likely to increase the socio-economic sustainability of farm businesses after young farmers have set up their holding. Particularly in marginal or remote areas, the impact of young farmers measures may be dwarfed by negative influences including socio-cultural and wider economic disincentives to farm or live in rural areas. Differences in the magnitude of impact were determined by a combination of the underlying socio-economic and cultural context, CAP instruments selection and measures design, as well as delivery choices and financial provisions. In addition, the measures are often insufficient, on their own, to address two main barriers to generational renewal: access to land and capital. Facilitating this access may require improving the coherence of national legal, social and fiscal policies with CAP generational renewal goals. In fostering social capital, infrastructure and good governance in rural areas, the evidence from the case studies suggest that CAP generational renewal measures have a limited, mainly positive direct and indirect impact. The evaluation found varied evidence of the coherence of CAP measures with each other. The support study was published in the last quarter of 2019¹⁹. The finalisation of this evaluation, after scrutiny by the Regulatory Scrutiny Board, is foreseen for the third quarter of 2020.

The **support study for the evaluation of marketing standards (contained in the CMO Regulation, the "breakfast directives" and CMO secondary legislation)**²⁰ found that EU marketing standards have generally been effective in achieving their intended objectives, and have not caused significant unintended/unexpected effects, including deadweight. The assessment identified a number of clear success stories in terms of effectiveness, while a few limitations affecting specific sectors, and related to specific aspects. A specific issue was identified regarding the improper use of protected dairy terms (e.g. milk, butter, cheese, yoghurt) for marketing plant-based substitutes for dairy products. The assessment also revealed that consumer organisations, and even more so consumers, have limited awareness of EU marketing standards. The evaluation study found that the potential for simplification of EU marketing standards is generally limited. The findings provided a positive judgement on the coherence of EU marketing standards. However, the combination in EU marketing standards on requirements that are related to (i) product quality, (ii) food safety and (iii) the provision of food information to consumers might result in some overlaps and inconsistencies, and may pose

¹⁷ Commission Implementing Regulation (EU) 2018/746 of 18 May 2018 amending Implementing Regulation (EU) No 809/2014 as regards modification of single applications and payment claims and checks, OJ L 125, 22.5.2018, p. 1–7

¹⁸ Report from the Commission to the European Parliament and the Council on the implementation and impact of voluntary labelling provisions under Regulation (EC) No 1760/2000 as amended by Regulation (EU) No 653/2014, COM(2019)625 final of 13.12.2019.

¹⁹ https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/evaluation-policy-measures-agriculture/impact-common-agricultural-policy-generational-renewal-local-development-and-jobs-rural-areas_en

²⁰ <https://op.europa.eu/en/publication-detail/-/publication/eb479df6-11c5-11ea-8c1f-01aa75ed71a1/language-en/format-HTML/source-120748374>

challenges for enforcement and controlling activities. Finally, the study found that EU marketing standards provide significant added value vis-à-vis international and private marketing standards, mainly stemming from their mandatory nature across the EU and requirements tailored to the specific operational and market situation of the EU. The publication of the support study is envisaged in March 2020. The outcome of this evaluation study will feed into a Staff Working Document to be published in the third quarter of 2020.

The **feasibility study for the technical design of a Nutrient Management tool**²¹ concluded with the feasibility of such a system. The usefulness of nutrients management based on digital services has been demonstrated through existing initiatives, and the information generated by its services can serve a variety of stakeholders (farmers, Paying Agencies, advisors, data-driven users). The study indicated the benefits of a cloud-based platform, as an application available from a computer or a mobile device (for on-field decisions and recording). The scope includes minimum elements and functionalities that are defined and these functionalities should be able to evolve and integrate new modules (i.e. water and pesticides management).

The **study on the implementation of the conformity checks of the marketing standard in the olive oil sector throughout the EU**²² found that the overall provisions on working mechanisms of the conformity checks on olive oils are judged positively by most of the operators and competent authorities. Stakeholders of the olive oil sector generally value the organisation of conformity checks and recognise that their implementation at national level has improved over time ensuring a better quality of the product. The study identified risk analysis as the core activity for targeting the controls on products that have the higher risk of non-compliances. It found that the minimum number of checks foreseen in the relevant provisions are not sufficiently representative. The most problematic aspect of the EU system of conformity checks emerged in relation to the organoleptic assessment and the tasting panels, which seem to produce inconsistent results across different panels. The study also found a lack of certainty to identify the actor of the supply chain who is responsible for a non-compliance or a suspected fraudulent practice and observed that the majority of Member States do not have in place a specific system of penalties for non-conformities on olive oil. The contractor provided a number of recommendations to overcome certain shortcomings.

The study on **EU quality schemes** provides an update and comparison of the volume, value and trade of products registered as a protected designation of origin (PDO), protected geographical indication (PGI), geographical indication (GI) or traditional speciality guaranteed (TSG). The study provides a comparative analysis of these parameters against standard products and an assessment of EU-27 trade (in view of the UK's withdrawal from the Union). The study presents a rich set of data on the state of play and evolution between 2011-2017, such as the:

- (i) *42% growth in the sales value of GI/TSG products since 2010, estimated at EUR 77.15 billion in EU28, which is 7% of all food and drinks in EU28 (7.3% in EU27), of which 51% generated by wine, 87% gathered by France, Italy, Germany, the UK and Spain, and with 5% of the most valuable designations (over EUR 100 million sales value) accounting for 73% of total sales value;*
- (ii) *estimated export value of GIs/TSGs at EUR 17.03 billion, representing 15.5% of the total EU exports of food and drinks to non-EU countries (of which 50% wine);*
- (iii) *38% increase in the value premium of GIs since 2010, despite a marginal decline in the premium rate (from 2.14 to 2.07 over the same period).*

The contractor concludes with some recommendations on improving the quality of data collection regarding products under the EU quality schemes. This study will be published in March/April 2020.

The study on **Civil Dialogue Groups (CDG) in policy making**²³ concluded that, compared to other Better Regulation consultation tools, CDGs offer the highest overall information potential and can bring added value with a high level of interactivity and transparency. However, this potential did not appear to be fully realised. It is not possible to establish a direct, causal link between the output of the CDG meetings and policy development and monitoring, given that (i) the format appeared to prevent Member Organisations from developing agreed suggestions and requests; (ii) the timing of the consultation of the CDGs might be too late. CDGs seemed to fulfil their tasks to hold a regular dialogue and to monitor policy developments, but their role to bring about an exchange of experience and good practice and to deliver an opinion on specific matters is not accomplished in full. The study found that Chairs (and Vice-Chairs) have a large impact on the ability of the CDGs to fulfil their tasks. In addition, CDGs lacked a sufficiently clear definition of balanced representation of all interests and the selection procedure for Member Organisations was not fully transparent, notably on the criteria for the allocation of seats.

The key findings of the evaluations of the CAP measures applicable in the wine sector, of the impact of the CAP measures towards the general objective “viable food production” and of the impact of the CAP on climate change and greenhouse gas emissions have been presented in the Programme Statement 2020 (SWD references not yet available).

ECA special reports

Special report 04/2019: **The control system for organic products has improved, but some challenges remain**

²¹ https://ec.europa.eu/info/news/new-tool-increase-sustainable-use-nutrients-across-eu-2019-feb-19_en

²² https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/evaluation-policy-measures/products-and-markets/implementation-conformity-checks-olive-oil-sector-throughout-eu_en

The European Court of Auditors (ECA) concluded that the EU organic sector has developed rapidly over recent years. Following up on their Special Report 9/2012 published in June 2012, the ECA found that the control system had improved. The ECA's recommendations had generally been implemented, but some challenges remained. The ECA recommended to address the remaining weaknesses identified in the Member States for EU products, to improve the supervision of imported organic products through better cooperation as well as to carry out more complete traceability checks.

The Commission welcomed the positive conclusion of the Court that the control system for organic products in the internal market has improved substantially. The Commission also shared the view that some challenges remain, in particular in the supervision of imports of organic products from third countries. The Commission is aware of the increasing risks and challenges caused by the rapid growth of the organic market and the development of imports. The Commission has already started to implement measures to face this problem, for instance, by developing the Electronic Certificate of Inspection in the frame of the TRACES system that substantially improved the traceability of the organic products imported from third countries. It is, however, of utmost importance that not only the Commission, but also the Member States put in place actions to better coordinate and enhance controls both in Member States and at the border.

Special report 18/2019: EU greenhouse gas emissions: well reported, but better insight needed into future reductions

The ECA assessed the quality checks done on the EU greenhouse gas inventory and examined the additional information on planned reduction of EU greenhouse gas emissions, i.e. EU projections and reference scenario, long-term strategies, quantification of the effects of EU policies and measures. The ECA concluded that the EU emission data were appropriately reported, but that the Commission needed better insight into future greenhouse gas emission reductions. In relation to the CAP, the ECA recommended to ensure that the future CAP strategic plans contribute to achieving the 2050 reduction targets.

The Commission agreed that the development of policies for key sectors, such as agriculture, should be consistent with the long-term perspective as presented in the Commission vision for the EU to become climate neutral by 2050. In addition, it was recalled that Member States would have to prepare CAP strategic plans that would be approved, and their implementation monitored, by the Commission.

Special report 23/2019: Farmers' income stabilisation: comprehensive set of tools, but low uptake of instruments and overcompensation need to be tackled

The ECA found that the CAP offers a comprehensive range of preventive instruments to increase farmers' resilience, but that the impact of these on farmers' behaviour is limited. The use of EU support for insurance schemes remains low and has benefitted only a fraction of farmers. No specific criteria were used to consider the use of exceptional measures following the Russian ban. The ECA considered also that the EU support for withdrawing products for free distribution was costly, leading to some overcompensation cases.

The Commission recognises the importance of having the right tools to prevent and manage risks and crises, in particular for the agricultural sector, a more vulnerable sector in relation to adverse weather and global price volatility. In this sense, the current CAP helps farmers through income support, market measures, support for risk management tools, and training and investments under rural development. In addition, the Commission has proposed to go further in its proposals for the future CAP. In particular, the Commission has proposed that risk management tools under rural development will become mandatory for all Member States, including financial contributions to premiums for insurance schemes and mutual funds, and investments and training to help farmers prevent risks or deal with their consequences. An EU-level platform on risk management is also foreseen to be set up to help all the actors involved to share knowledge, exchange experience and best practice.

Forthcoming implementation

Further to a Commission proposal, the European Parliament and the Council adopted in 2019 a Regulation providing certainty and continuity in the granting of support to European farmers in the years 2019 and 2020: Regulation (EU) 2019/288 of the European Parliament and of the Council amending Regulations (EU) No 1305/2013 and (EU) No 1307/2013 as regards certain rules on direct payments and support for rural development in respect of the years 2019 and 2020.

Taking into account the delay in the ongoing legislative procedure for the reform of the Common Agricultural Policy for the period post 2020 and in order to assure the continuity in granting income support to farmers and in supporting rural development measures in 2021, to preserve for 2020 the financial flexibility given to Member States on possible transfer of amounts between the two CAP pillars and to assure consistency with the future MFF 2021-2027, the Commission presented two proposals containing the necessary transitional arrangements:

- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1306/2013 as regards financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020 (COM (2019) 580 of 31/10/2019). Regulation (EU) 2020/127 was adopted by the European Parliament and Council on 29/01/2020²⁴ and;
- Proposal for a Regulation of the European Parliament and of the Council laying down certain transitional provisions for the support by the EAFRD and by the EAGF in the year 2021 and amending Regulations (EU) No 228/2013, (EU) No

²⁴ [OJ L 27, 31.1.2020, p. 1–5](#)

229/2013 and (EU) No 1308/2013 as regards resources and their distribution in respect of the year 2021 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards their resources and application in the year 2021 (COM (2019) 581 of 31/10/2019).

As regards CMO, various developments occurred concerning sector-specific support programmes, according to the stages reached in their respective life cycles. A new programming period for the wine national support programmes started in 2019 and runs until 2023. Promotion, reconversion and restructuring, harvest insurance, investments and innovation measures are to be continued in the new programmes.

The current triannual programmes in the olive oil and table olives sector started in April 2018 in Greece, France and Italy.

A reformed information and promotion policy is applicable since 1 December 2015. The annual work programme setting out the strategic priorities for promotion measures in 2020 is implemented through the publication of calls for proposals in January 2020. In 2020, more than two thirds of the available funding is earmarked for promoting EU food products in non-EU countries, in particular those with which there is a large potential for increasing EU agri-food exports.

Outlook for the 2021-2027 period

Refer to Common Agricultural Policy (CAP) programme statement for more information, which are relevant for both EAGF and EARDF.

III. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008. Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products	2014 - 2020	307 994,0

	Financial Programming (EUR million)							
	2014	2015	2016	2017	2018	2019	2020	Total Programme
Total	43 778,1	43 454,9	42 220,3	42 610,7	43 233,1	43 191,9	43 410,1	301 897,9

2. Implementation rates

	2019				2020			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Voted appropriations	43 191,947	98,90 %	43 113,029	98,46 %	43 410,106	84,61 %	43 380,032	84,21 %
Authorised appropriations (*)	44 806,350	98,12 %	44 932,916	97,67 %	44 514,417	83,55 %	44 687,210	83,18 %

(*) Authorised appropriations include voted appropriations, appropriations originating from assigned revenues (internal and external) as well as carried-over and reconstituted appropriations; the execution rate is calculated on 15 April 2020

3. Performance information

Programme performance

To promote a viable food production

In order to promote a viable food production; one of the main objectives of the Common Agricultural Policy (CAP) is to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of farmers and agricultural employees engaged in agriculture. Agricultural factor income per full-time worker is increasing compared to 2013 levels (the agricultural factor income measured as index increased from 112 in 2013 to 123 in 2019) as well as the total factor productivity in

the agricultural sector. However, agricultural income is lagging behind income compared to the rest of the economy and it is more volatile due to agricultural price volatility as well as variability of yields exacerbated by the effects of climate change.

The support study²⁵ for the evaluation of the impact of CAP measures towards the general objective of "viable food production" confirms that direct payments allow farmers to better cope with the negative income effects caused by drops in agricultural prices, hence contribute to the stability of farms income. Yet, despite CAP direct support, a large share (74% in 2015) of farm labour does not reach the benchmark of the average national labour productivity. The study observed that the CAP 2014-2020 allowed increasing efficiency, by better targeting support to farms which needed it most. However, part of the expenditure (33% of total direct support in 2015) could be saved or redistributed more efficiently to farmers that need it most (i.e. farms that do not reach the reference benchmark). Furthermore, EU market prices are moving closer to world market prices meaning that EU farmers have become more competitive internationally while receiving non-trade distorting support. In addition, the evaluation study found that market measures helped to limit domestic prices volatility of most agricultural products. For most agricultural products concerned by market measures, volatility of domestic prices is lower than that of international prices.

Despite the positive performance of the agricultural sector, there are still important challenges that need to be addressed in the following years: farmers' income is still lagging behind salaries in the whole economy and remains dependent on direct support. On average for the last five years, around 40% of the agricultural entrepreneurial income of the EU-farming community depends on direct support. Furthermore, a substantial part of the sector continues to face low profitability - due inter alia to the EU's high production standards, high costs of production factors and the fragmented structure of the primary sector.

In that context, the proposals for the CAP post-2020 will aim, among other objectives:

- to support viable farm income and resilience across the Union to enhance food security;
- to enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation; and
- to improve the farmers' position in the value chain.

To promote a sustainable management of natural resources and climate action

Greenhouse gas (GHG) emissions from agriculture have declined substantially between 1990 and 2010. However, the long-term decrease in greenhouse gas emissions from agriculture has slowed down in recent years. Since then, emission levels appear to be relatively stable but slightly increased in 2017. This is mainly due to an increase of the EU cattle herd, an augmented use of fertiliser as well as the farm management of cropland. The Commission services continue to monitor closely the evolution of this indicator and the future CAP will pay specific attention to it. The support study²⁶ of the evaluation of the impact of the CAP on climate change and GHG emissions assessed the impact of CAP measures on agriculture's GHG emissions and on the sector's ability to adapt to climate change. The study found that although the CAP has a strategic objective in respect of climate action, it lacks specific targets.

The support study of the evaluation of the impact of the CAP on water²⁷ highlighted that Member States' implementation choices determine the extent to which the CAP measures and instruments meet the EU objective of sustainable management of water. Almost all farmers benefiting from the CAP support at EU level systematically implement cross-compliance and greening measures. They are considered as effective in maintaining minimum practices beneficial for water. In the context of the necessary adaptation of agriculture to climate change, greater attention should be paid to quantitative water issues, and notably to water savings.

The support study of the evaluation of the impact of the CAP on habitats, landscapes and biodiversity²⁸ concluded that the presence of the CAP has raised Member States' ambition towards addressing biodiversity objectives as well as the level of funding. However, more could be done by Member States to ensure that their biodiversity priorities are well reflected in their CAP decisions. Member States have not made sufficient use of the available CAP instruments and measures to protect semi-natural features, in particular grassland.

Despite the positive contribution of the CAP to improve the environmental performance of the EU agricultural sector, substantial environmental challenges remain. The EU has committed itself to further deep cuts in greenhouse gas emissions; the key natural resources of soil, air and water are still under pressure in many areas; and the available indicators on farm and forest biodiversity still do not paint a rosy picture. The citizens of the EU expect the CAP to make a stronger contribution to care for the environment and climate. Furthermore, there is a need to improve the effectiveness and targeting of the policy. Taking these challenges into account, the future CAP has an explicit commitment to "aim higher" with regard to the environment and climate. At the same time,

²⁵ The publication of the study is foreseen together with the SWD in principle by summer 2020.

²⁶ https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/evaluation-policy-measures/sustainability/evaluation-cap-climate-change-and-greenhouse-gas-emissions_en

²⁷ https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/evaluation-policy-measures/sustainability/impact-cap-water_en. The outcome of this evaluation study will feed into a single Staff Working Document for Water, Biodiversity and Soil envisaged for the first quarter of 2021.

²⁸ https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/evaluation-policy-measures/sustainability/impact-cap-habitats-landscapes-biodiversity-0_en. The outcome of this evaluation study will feed into a single Staff Working Document for Water, Biodiversity and Soil envisaged for the first quarter of 2021.

taking into account the need for simplification, the current "greening measures" are replaced by a new green architecture based on the following three objectives:

- contribute to climate change mitigation and adaptation, as well as sustainable energy;
- foster sustainable development and efficient management of natural resources such as water, soil and air ; and
- contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes.

The European Green Deal, and especially the forthcoming Farm to Fork Strategy that aims to make the European food system more sustainable, among others, by reducing the risk and use of pesticides, fertilisers and antibiotics, will set the ambition of the future CAP in this regard.

To promote a balanced territorial development

Rural development policy through the CAP lifts the economic resilience of both the farm sector and non-agricultural businesses through support for setting up businesses, business development and diversification, building knowledge, making investments, establishing (and getting connected to) infrastructure and services (including in relation to ICTs), pursuing innovation and working with others in new ways. Among others, the employment rate in rural areas has increased and the gap with urban areas has disappeared. 68.1 % of the population aged 15 to 64 were in jobs in rural areas, an increase of almost 5 percentage points compared to 2013.

While many rural areas remain vibrant and continue to thrive, the impact of ageing and depopulation affects negatively some rural areas, notably those facing socio-economic decline. Demographic change presents a number of challenges for European society, not least for rural communities. Rural areas are a core part of our identity and our economic potential offering many opportunities that need support in order to be fully unleashed. These challenges and opportunities will be explored in the Long-Term Vision for Rural Areas.

General objectives

Look at CAP Programme Statement. General objectives of Common Agricultural Policy apply for both EGAF and EARDF.

Specific objectives

Specific Objective 1: To improve the competitiveness of the agricultural sector and enhance its value share in the food chain

Performance (valid for specific objectives 1 to 3)

With fairness and economic efficiency, the CAP strengthens the farm and agri-food sectors' ability to compete on overseas as well as domestic markets. After several years where additional market support measures in the fruit and vegetables and livestock sectors were needed to rebalance the sectors concerned, as of 2018 a substantial market stabilisation was observed: the exceptional withdrawal measures in fruit and vegetables sector were discontinued as of mid-2018. By 2019, over 380 000 tonnes of public intervention stocks of skimmed milk powder (SMP) were sold, reflecting the improved situation on the dairy market.

European agriculture showed its resilience after the recent crises, finding alternative domestic markets and abroad (in particular in Asia and the US).

Justification of changes to the financial programming and/or to the performance information valid for specific objectives 1 to 3

08 02 03²⁹ – Markets	(appropriations EUR 73 million)
Needs in 2020 budget:	2 680.1
Appropriations requested in 2020 budget:	2 530.1
Estimated assigned revenue available in 2020 budget:	150.0
Needs in 2021 DB:	2 603.1
Appropriations requested in 2021 DB:	2 603.1
Estimated assigned revenue available in 2021 DB:	0.0

Budget estimates for 2021 are prepared based on the Commission's proposals for Multiannual Financial Framework (MFF) 2021-2027 and the post-2020 CAP, including also the Commission proposal for CAP transitional rules for 2021 (COM(2019) 581 final of 31.10.2019). It is assumed that the co-legislators will adopt these transitional provisions in the course of 2020.

The estimated budgetary needs for market expenditure in 2021 are EUR 77 million lower than in budget 2020. Estimated expenditure for the Member States' wine programmes and support to the fruit and vegetables sector represent around 72% of the requested appropriations for budget article 08 02 03, with only minor changes in the budget needs between 2020 and 2021. Support for the outermost regions (POSEI), agricultural information and promotion actions as well as the school schemes operate on the basis of pre-allocated envelopes of around EUR 200 million each and budget needs for these schemes show relatively little

²⁹ 2020 budget includes residual payments and exceptional measures under the "99" Other measures items, whereas in 2021 draft budget these measures are not included under the 08 02 03 line

variation from one year to the other. For beekeeping, an increase from EUR 39 million to EUR 59 million is foreseen as a result of a higher allocation as part of the CAP proposals for 2021-2027.

The fruit and vegetables and dairy markets remain particularly sensitive to poor global economic performance in general. Overall, the uncertainty regarding the outlook for most agricultural markets remains and especially the uncertainty due to Brexit and US sanctions play a role in the development of the export demand for EU agro-food products. For olive oil, a high production for one campaign together with very high stocks led to opening a private storage aid scheme in 2019. Moreover, outbreaks of Avian Influenza and African Swine Fever in some Member States cause considerable market disturbance in the affected areas. However, the Draft Budget 2021 includes no appropriations for market support measures related to outbreaks of animal diseases, as this information is currently unknown.

Overall, the Commission has based its estimates on a favourable outlook with balanced markets and foresees to update its estimates in an Amending Letter to the Draft Budget 2021 in light of latest market developments and perspectives.

Indicator 1: Share of EU agricultural exports in world market								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2016	Milestones foreseen							
17.2%	Actual results							Share in world market maintained
				17.0%	17.3%			

Source: IHS Markit/Global Trade Atlas (GTA)

Indicator 2: Share of value added for primary producers in the food chain								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							
Primary sector EU28 Value added (in EUR billion): 214.00	Actual results							Improved situation of primary producers in food chain
	221.00	214.00	215.00	234.28				
2015	Milestones foreseen							
Processing sector EU28 Value added (in EUR billion): 237.00	Actual results							Improved situation of primary producers in food chain
	226.00	237.00	243.00	252.49				
2015	Milestones foreseen							
Retail sector - including services EU28 Value added (in EUR billion): 455.00	Actual results							Improved situation of primary producers in food chain
	422.00	455.00	470.00	492.50				

Source: Eurostat – National Accounts, Structural Business Statistics

Expenditure related outputs

Note: Refers to specific objectives 1 to 3

Outputs	Budget line	Budget 2020	
		Number	EUR million
Fruit & vegetables: Proportion of the value of production marketed through producer organisations (POs) in value of the total production ³⁰	05 02 08 03	47% ³¹	699
Olive oil and table olives national support programmes – Number of co-financed programmes	05 02 06 05	130 (2018-2021) ³²	46
Wine: National support programmes–Restructuring: Number of hectares	05 02 09 08	75 000	468
Wine: National support programmes – Investments and promotion: Number of projects and beneficiaries	05 02 09 08	7 000	454

³⁰ The budget figure relates to appropriations and is after deduction of the estimated assigned revenue to be available to this item at EUR 150 million for 2020.

³¹ Estimated organization rate and EU contribution to the Operational Funds based on 2015 annual reports

³² Data refers to the current olive oil and table olives national support programmes until end of March 2021. Notifications on programmes for the subsequent programming period for olive oil and table olives will be available in May 2021.

Public intervention: Volume of intervention stocks (skimmed milk powder)	05 02 12	0 t (ending stock Sept 2019)	0
Private storage: Volume of private storage in tonnes (olive oil)	05 02 06 03	142 000 t ³³	0
Private storage: Volume of private storage in tonnes (dairy)	05 02 12	0	0
Apiculture: National programmes for the apicultural sector: number of programmes and expenditure	05 02 15 06	28	39
Horizontal promotion programmes: Number of programmes accepted	05 02 10	81 (2019)	177
EU school fruit, vegetables and milk scheme (applicable since 1 August 2017): number of beneficiaries per school year	05 02 18	Around 20,8 million children ³⁴	215

Outputs	2014	2015	2016	2017	2018	2019	2020
Fruit & vegetables: Proportion of the value of production marketed through producer organisations (POs) in value of the total production.	44.9%	47%	45.4%	48.1%	48.3% ³⁵	47.2%	48.6%
Olive oil and table olives national support programmes. – Number of co-financed programmes.		115	115	115	115 - 130 ³⁶	130	130
Wine: National support programmes – Restructuring: Number of hectares	50 000	55 000	81 000	80 000	73 500	75 000	75 000
Wine: National support programmes – Investments and promotion: Number of projects and beneficiaries	5 000	3 500	6 500	6 500	7 000	7 000	7 000
Public intervention: Volume of intervention stocks ³⁷	0	Butter: 0 SMP: 17 000	Butter: 0 SMP: 355 200	363 300	280 151	0	0
Private storage: Volume of private storage in tonnes (olive oil) concerned by EU financial aid in calendar year	0	0	0	0	0	0	142 000
Private storage: Volume of private storage in tonnes (dairy) bought in calendar year	Butter: 22 000 SMP: 17 000	Butter: 141 000 SMP: 52 000 Cheese: 32 000	Butter: 144 000 SMP: 89 000 Cheese: 53 000	Butter: 0 SMP: 26 000 Cheese: 0	0	0	0
Apiculture: National programmes for the apicultural sector: number of programmes (% of expenditure on available funds previous year)	No indicator	28	28 (93% in 2015)	28 (94% in 2016)	28 (90% in 2017)	28 (93 % in 2018)	28 (93% in 2019)
Horizontal promotion programmes: Number of programmes accepted ³⁸	34 (2012 decision)	44 (2013 decision)	47 (2014 decision)	74 (2015 decision)	66 (2016 decision and grant agreement)	63 ³⁹ (2017 decision and grant agreement)	79 (2018 decision and grant agreement)
School fruit and vegetable scheme: Number of beneficiaries per school year	8.5 million children in 2011/2012 school year	8.6 million children in 2013/2014 school year	10.28 million children in 2014/2015 school year	11.7 million children in 2015/2016 school year	12.2 million children in 2016/2017 school year		
School milk scheme: Number of beneficiaries and quantity of milk and milk products on which aid has been paid per school year	19.6 million children and 309 164 tonnes (school year 2012-13)	19.1 million children and 312 546 546 tonnes (school year 2013-14)	20.1 million children and 308 732 tonnes (school year 2014-15)	18.6 million children and 308 606 tonnes (school year 2015-16)	18.1 million children and 285 660 tonnes (school year 2016-17)		
EU school fruit, vegetables and milk scheme (applicable since 1/8/2017): Number of beneficiaries per school year						Around 20,2 million children in	Around 20,5 million children in

³³ The quantities reflect the public storage measure decided in the course of the 2020 budget year.

³⁴ Estimate based on the preliminary figures on implementation of the scheme in the 2017/2018 school year. Source: Member States' annual monitoring reports for 2017/2018, due by 31.1.2019.

³⁵ 2018, 2019 and 2020 estimated based on data available (data non complete)

³⁶ Until March 2018, 115 programmes. From April 2018, 130 programmes

³⁷ Expected ending stocks (end of September).

³⁸ As of 2016, because of the reform of the promotion policy, programmes granted under direct management are also taken into account.

³⁹ Grant agreement for one approved programme has not been signed thus allowing to grant the first two programme proposals from the reserve list in Annex II to Commission Implementing Decision C(2017) 6934.

								2017/2018 school year ⁴⁰	2018/2019 school year ⁴¹
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The expenditure related outputs follow the expected developments⁴². For the fruit and vegetables sector, the value of production marketed through producer organisations increases gradually, which is reflected in the gradual increase of the budget needs for this type of action; collective selling increases the position of the farmers in the value chain, so this can be assessed as a favourable development.

Private and public intervention are only activated if need be in view of the market situation and these punctual support schemes have proven successful in stabilising markets.

Specific Objective 2: To foster market stability

Indicator 1: Export refunds Ratio of the volume of the products exported with export refunds and the total EU production per given period

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2017	Milestones foreseen							
Beef: 0%	Actual results							0%
					0%			
2017	Milestones foreseen							
Pig meat: 0%	Actual results							0%
					0%			
2017	Milestones foreseen							
Poultry: 0%	Actual results							0%
					0%			
2017	Milestones foreseen							
Cereals, rice & sugar: 0%	Actual results							0%
					0%			

Narrative: Used only in case of market crisis (seen against market development), that is why intended target is 0%

Source: DG AGRI

Indicator 2: Public intervention, ratio of volume of the products bought in the intervention storage and the total EU production of those respective products

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2017	Milestones foreseen							
2.1%	Actual results							0.0%
					0.0%			

Comment: No quantity entered in public intervention and public storage in the animal products sectors in 2018 and 2019

Source: DG AGRI

Indicator 3: Private storage, Ratio of volume of the products placed into the publicly aided private storage and the total EU production of those respective products

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2017	Milestones foreseen							

⁴⁰ Source: Member States' annual monitoring reports for 2017/2018 sent by 31.1.2019.

⁴¹ Estimate. Figures only available once Member States submit their annual monitoring reports, due by 31.1.2020.

⁴² The outputs relate to a European Union of 28.

Butter: 0%	Actual results							0.00%
	0.99%	6.10%	6.00%		0.00%			
	Milestones foreseen							
2017	Milestones foreseen							
SMP: 1.8%	Actual results							0.00%
	1.33%	3.40%	5.70%	1.80%	0.00%			
	Milestones foreseen							
2017	Milestones foreseen							
Cheese: 0	Actual results							0.00%
		0.30%	0.50%		0.00%			
	Milestones foreseen							
2017	Milestones foreseen							
Pig meat: 0	Actual results							0.00%
		0.20%	0.40%		0.00%			
	Milestones foreseen							
2017	Milestones foreseen							

Source: Market monitoring data DG AGRI

Specific Objective 3: To better reflect consumer expectations

Indicator 1: EU commodity prices compared to world prices

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							
Beef (Australia): 1.23	Actual results							Prices brought closer to world prices
	0.96	0.92	1.00	0.98	1.07	0.85		
	Milestones foreseen							
Beef (Brazil): 1.72	Actual results							Prices brought closer to world prices
	1.47	1.50	1.49	1.56	1.79	1.58		
	Milestones foreseen							
Pig meat (US): 1.23	Actual results							Prices brought closer to world prices
	0.93	1.06	1.22	1.25	1.29	1.42		
	Milestones foreseen							
Pig meat (Brazil): 1.25	Actual results							Prices brought closer to world prices
	1.02	1.10	1.24	1.18	1.45	1.32		
	Milestones foreseen							
Poultry: 1.23	Actual results							Prices brought closer to world prices
	1.14	1.08	1.11	1.05	1.10	1.15		
	Milestones foreseen							
Soft wheat EU: 1.04	Actual results							Prices brought closer to world prices
	1.02	0.94	0.99	1.04	1.06	0.97		
	Milestones foreseen							
2013	Milestones foreseen							
Maize: 1.04								Prices brought

	Actual results							closer to world prices
	1.13	1.03	1.11	1.16	1.20	1.14		
2013	Milestones foreseen							
Barley: 0.98	Actual results							Prices brought closer to world prices
	0.98	0.99	0.95	0.96	0.98	0.98		
2013	Milestones foreseen							
Sugar: 1.90	Actual results							Prices brought closer to world prices
	1.62	1.24	0.99	1.23	1.19	1.08		
2013	Milestones foreseen							
Butter: 1.27	Actual results							Prices brought closer to world prices
	1.23	1.06	1.09	1.07	1.23	0.98		
2013	Milestones foreseen							
Cheddar: 1.10	Actual results							Prices brought closer to world prices
	1.12	1.03	1.02	1.00	1.05	0.90		
2013	Milestones foreseen							
WMP: 0.98	Actual results							Prices brought closer to world prices
	1.11	1.10	1.06	1.07	1.07	1.04		
2013	Milestones foreseen							
SMP: 0.9	Actual results							Prices brought closer to world prices
	0.97	0.96	0.99	0.98	0.88	0.89		
2013	Milestones foreseen							
Weighted average: 1.21	Actual results							Prices brought closer to world prices
	1.11	1.09	1.13	1.14	1.19	1.13		

Comment: The ratio between EU and World agricultural commodity prices has changed from the data presented in the previous Programme Statement due to a change of the reference price for pig meat (US).

Source: DG Agriculture and Rural Development, based on European Commission, USDA, World Bank, IGC, London International Financial Futures and Options Exchange, National sources.

Expenditure related outputs

The expenditure-related outputs for specific objectives 1 to 3 are now available under specific objective 1.

Specific Objective 4: To sustain farmers' income stability by providing direct income support

Justification of changes to the financial programming and/or to the performance information valid for specific objectives 4 to 6

08 02 05 – Direct payments ⁴³	(appropriations - EUR 3 126 million)
Needs in 2020 budget before financial discipline (incl. crisis reserve):	42 020
Needs in 2020 budget after financial discipline:	41 542
Appropriations in 2020 budget after financial discipline:	40 621
Estimated assigned revenue available in 2020 budget:	921
Amount of financial discipline in 2020 budget (incl. crisis reserve):	478
Needs in 2021 DB before financial discipline (incl. crisis reserve):	38 728

⁴³ For 2021, the amounts do not include the Direct payments contribution to line 08 02 99 01 Completion of previous EAGF measures.

Needs in 2021 DB after financial discipline:	38 080
Appropriations requested in the 2021 DB after financial discipline:	37 495
Estimated assigned revenue available in 2021 DB:	586
Amount of financial discipline in 2021 DB (incl. crisis reserve):	647

08 02 05 – Direct payments not including measures covered under specific objective 7 (POSEI and Small Aegean Islands)	(appropriations - EUR 3 123 million)
Needs in 2020 budget before financial discipline (incl. crisis reserve):	41 578
Needs in 2020 budget after financial discipline:	41 105
Appropriations in 2020 budget after financial discipline:	40 184

Needs in 2021 DB before financial discipline (incl. crisis reserve):	38 286
Needs in 2021 DB after financial discipline:	37 646
Appropriations requested in the 2021 DB after financial discipline:	37 061

The maximum amount of direct payments which a Member State may pay in a financial year is limited by the ceiling set in Annex III to Regulation (EU) No 1307/2013. For calendar year 2020 (financial year 2021), the total of Annex III amounts to EUR 38 141 million, a EUR 3 257 million decrease compared to calendar year 2019. The main change in the DB 2021 is the exclusion of the UK. Due to the provisions according to which the financial year 2021 budget finances aid applications of claim year 2020, it is not possible to implement a timely adjustment of these allocations to the 2021 EAGF ceilings as the implementation of the 2020 direct payments is already ongoing. In addition, the estimates have been established taking into account the information on the flexibility transfers between direct payments and rural development. The allocation of the national envelopes to the different schemes depends to a large extent on Member States' decisions. Within the changes due to the decrease in the overall amount, certain changes between schemes have occurred, reflecting Member States' implementation choices.

In the period 2014-2020, the financial discipline adjustment is taken into account in establishing the needs for direct payments in line with the provisions of Regulation (EU) 1306/2013. In financial year 2021, financial discipline will be needed both to set up the crisis reserve at EUR 487.6 million and to respect the EAGF net ceiling for financial year (FY) 2021 as included in the Commission proposal for the 2021-2027 MFF (as amended on 28/05/2020). The amount of financial discipline is therefore estimated at EUR 647 million with a downwards effect on all lines. The need for financial discipline will be re-assessed, as appropriate, in the context of the autumn Amending Letter to the Draft Budget 2021.

For direct payments (chapter 08 02 05), the budgetary needs after financial discipline decrease by EUR 3 458 million to an amount of EUR 38 080 million in 2021 (or EUR 37 646 million (- EUR 3 459 million), when excluding the amounts covered by Specific Objective 7). Requested appropriations for this chapter decrease by EUR 3 126 million (or EUR 3 123 million when excluding the amounts covered by Specific Objective 7). Significantly less assigned revenue is expected to be available to finance the Basic payment scheme (BPS) (from EUR 921 million in 2020 to EUR 586 million in 2021). As a consequence, the requested appropriations amount to EUR 37 495 million in 2021, including appropriations for the crisis reserve (EUR 487.6 million) entered into article 08 02 05 10.

The needs after financial discipline for the basic payment scheme (BPS) are estimated at EUR 14 837 million which is EUR 2 201 million lower than in 2020. In addition to the exclusion of the UK expenditure, this is also linked to a decrease of the ceiling of EUR 89 million. The needs after financial discipline for the Single area payment scheme (SAPS) amount to EUR 4 410 million, an increase by EUR 34 million compared to the budget year 2020.

The needs for the Payment for agricultural practices beneficial for the climate and the environment decrease to EUR 10 802 million after financial discipline, EUR 1 017 million below 2020. For the Redistributive payment, needs decrease by EUR 99 million to EUR 1 582 million after financial discipline.

The needs for the young farmers scheme are estimated at EUR 571 million after financial discipline, a small decrease of EUR 2 million compared to financial year 2020. This is reflecting the positive evolution in the execution of this scheme in spite of the exclusion of the UK from the expenditure.

The needs for the Voluntary coupled support scheme decrease by EUR 81 million to EUR 4 003 million after financial discipline, reflecting a stabilisation in the execution of the scheme and the exclusion of the UK.

The Small farmers scheme is financed from the ceilings available for other schemes. Based on the experience with the execution in previous years showing a decreasing trend, the budget needs for this scheme are estimated at EUR 705 million, EUR 97 million lower than in 2020.

Indicator 1: Share of direct support in agricultural entrepreneurial income (family farm income)									
Baseline	2014	2015	2016	2017	2018	2019	2020	Target	
2013	Milestones foreseen								
41%	Actual results							To maintain the ratio stable	
	42%	44%	44%	37%	40%				

Narrative: 2012: 44%, 2011: 42%

Comment: Possible slight changes in percentages are due to recalculated Eurostat figures.

Source: EAGF Financial Report and –EUROSTAT Economic Accounts for Agriculture

The indicator looks at the ratio of direct payments to agricultural income. If direct payments stay more or less stable but agricultural income increases, the ratio declines as it did in 2017, when agricultural income was higher than in previous years.

Expenditure related outputs

Outputs relate to specific objectives 4 to 6

Outputs	Budget line	Budget 2020	
		Number ⁴⁴	EUR million
Single area payment scheme (number of hectares to be paid in thousands)	05 03 01 02	39 948	4 376
Basic payment scheme (number of hectares to be paid in thousands) ⁴⁵	05 03 01 10	109 401	16 117
Payment for agricultural practices beneficial for the climate and the environment (number of hectares to be paid in thousands)	05 03 01 11	140 161	11 819
Voluntary coupled support (number of hectares to be paid in thousands)	05 03 02 60	8 952	4 084
Voluntary coupled support (number of heads to be paid in thousands)	05 03 02 60	58 155	

Outputs	2014	2015	2016*	2017*	2018*	2019*	2020
Single area payment scheme (number of hectares to be paid in thousands)	41 347	41 360 ⁴⁶	40 753	39 194	40 480	39 948	39 948
Basic payment scheme (number of hectares to be paid in thousands)	N/A	N/A	109 141	109 141	109 660	109 401	109 401
Payment for agricultural practices beneficial for the climate and the environment (number of hectares to be paid in thousands)	N/A	N/A	150 392	150 392	140 161	140 161	140 161
Voluntary coupled support (number of hectares to be paid in thousands)	N/A	N/A	8 087	8 588	9 295	8 952	8 952
Voluntary coupled support (number of heads to be paid in thousands)	N/A	N/A	75 887	63 119	60 728	58 155	58 155

*Source: CATS (Clearance of Accounts Audit Trail). Only preliminary control data are available for claim year 2018. Besides, the indicated data do not cover area paid under the Small Farmer Scheme.

The stable number of expenditure related outputs is in line with the fact that the budget for direct payments is overall rather stable for the entire MFF period 2014-2020 and the fact that the support is primarily meant to stabilise income for farmers.

A decrease can be observed in the number of heads receiving coupled support. This could be an indication that the support level may not be sufficient to maintain current levels for certain sectors in risk of decline.

Specific Objective 5: To promote a more market oriented agriculture, by ensuring a significant level of decoupled income support

Indicator 1: Percentage of total direct payments which is decoupled								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2020
93.24%	Actual results							88.35%
	93.54%	92.69%	88.89%	88.87%	88.48%	88.55%		

Methodology: Data for Budget year

Narrative: 2012: 92.13%

Comment: As from financial year 2016 the figures take into account that in accordance with the methodology for implementation of the Small farmers scheme, as chosen by the Member States, part of the expenditure under that scheme is "decoupled". Execution of the Budget 2019 provisional figures. Budget 2020, based on estimated needs and excluding the crisis reserve.

Source: Budget execution figures until Calendar year 2018/Budget year 2019, Budget figures for Calendar year 2019/Budget year 2020

Specific Objective 6: Contribute to the enhancement of the environmental performance of the CAP through the greening component of the direct payments. Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through the cross compliance system. Contribute to

⁴⁴ Best estimate based on available information. Sources: For the single area payment scheme, basic payment scheme and the payment for agricultural practices beneficial for the climate and the environment: CATS control data for claim year 2015 (not covering area paid under the Small Farmer Scheme), assumptions needed for certain MS/measures (missing data) (date: 21/12/2016). For Voluntary coupled support: based on notified quantitative limits for claim year 2016.

⁴⁵ The budget figure relates to appropriations and is after deduction of the estimated assigned revenue to be available to this item at EUR 921 million for 2020.

⁴⁶ Agricultural area under SAPS (Annex VIII to Commission Regulation (EC) No 1121/2009).

preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water through the standards of good agricultural and environmental condition of land.

Indicator 1: Percentage of CAP payments covered by cross compliance								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							
82.4%	Actual results							Maintain percentage
	83.50%	85.70%	81.60%	84.80%	82.70%	81.90%		

Comment: The percentage decreased in 2019 (compared to 2018: 82.7%), because of the lower proportion of Rural Development measures covered by cross-compliance. Measures that are not falling under cross-compliance tend to have an increasing execution over the period and thus the % covered by cross-compliance is expected to decrease over the programming period.

Source: DG AGRI

Indicator 2: Opinion expressed by the public on cross compliance								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2007	Milestones foreseen							
Support for the reduction of direct payments to farmers not complying with environmental rules: 83%	Actual results							Maintain the positive opinion
		87%		88%				
2007	Milestones foreseen							
Support for the reduction for non-compliance of animal welfare rules: 84%	Actual results							Maintain the positive opinion
		87%		88%				
2007	Milestones foreseen							
Support for the reduction of direct payments to farmers not respecting food safety rules: 86%	Actual results							Maintain the positive opinion
		87%		90%				

Comment: Results of the latest Special Eurobarometer "Europeans, Agriculture and the Common Agricultural Policy" published in 2017; new results in 2020.

Source: Eurobarometer

Indicator 3: Control rate for GAEC								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2016	Milestones foreseen							
100%	Actual results							100%
	100%	100%	100%	100%	100%			

Narrative: Baseline: All paying agencies fulfilled the mandatory control rate (FR and SE still to notify their data).

Target: 100% implementation of the minimum regulatory control rate.

Source: Control statistics notified annually by MS

Indicator 4: The ratio of permanent grassland within a Member State in relation to the total agricultural area								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
Before 2015	Milestones foreseen							
Reference ratio:	Actual results							Reference ratio should not decrease more than 5%
	Ratio has not decreased beyond the limit of 5%; No MS communicated to have triggered a reconversion	1 UK region communicated decline above threshold of 5%, without triggering a reconversion	1 MS communicated decline above threshold of 5%, triggering reconversion obligation	1 UK region communicated decline above threshold of 5%, without triggering a reconversion	2 MS and 1 UK region communicated decline above threshold of 5%	No MS with ratio falling below the limit of 5%		

	obligation	obligation		obligation				
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Narrative: The maintenance of the ratio of permanent grassland means that there should not be, at national or regional level, a decrease by more than 5% of the current ratio of permanent grassland in relation to the total agricultural area by comparison with a reference ratio reflecting this ratio at a reference period.

Comment: Provisional information based on 2015 and 2017 communications from all MS as the notifications are still under assessment. In 2016 one Member State did not yet send a notification, in 2018 3 Member States did not yet send a notification. In 2019, the data is available for 21 MS.

Source: MS annual notification (ISAMM – Information System for Agricultural Market Management and Monitoring)

Indicator 5: Share of area under greening practices								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							
75%	Actual results							Maintain the share
		75%	77%	79%	79%			

Methodology: The share is calculated as total agricultural area for farms with at least one greening obligation on total agricultural area from Eurostat statistics revised by DG AGRI.

Comment: Provisional information based on communications from Member States, where the assessment of notifications remains to be completed in some cases. 2017 notifications sent by all MS. Year 2018: Including notifications from 21 MS, so the indicated share is provisional.

Source: MS annual notifications (ISAMM - Information System for Agricultural Market Management and Monitoring).

Expenditure related outputs

Outputs for specific objectives 4 to 6 are now to be found under specific objective 4.

Specific Objective 7: To promote local agricultural production and to ensure a fair level of prices for commodities for direct consumption and for processing by local industries in the Outermost Regions of the EU and in the Aegean Islands

Justification of changes to the financial programming and/or to the performance information

05 03 02 50 and 52 – POSEI + Smaller Aegean Islands – European Union support programmes (2020)	(appropriations - EUR 13 million)
08 02 05 01 – POSEI + Smaller Aegean Islands – European support programmes (2021)	
Appropriations requested in 2020 budget:	437
Appropriations requested in 2021 DB:	424

For the support to the POSEI and Smaller Aegean Islands, the programmes are divided into two types of measures: specific supply arrangements financed under item 08 02 03 01 and support for the local products which are split into market aids (item 08 02 03 01) and direct payments (item 08 02 05 01).

The level of requested appropriations remains almost unchanged as Member States notified only minor modifications of their programmes.

Indicator 1: Support to the Local Production (SLP) to maintain/develop the agricultural production: Utilised agricultural area (variation with respect to the previous year)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
POSEIDOM: Mainland France:	Actual results							To at least maintain and develop the agricultural production
				26 802 374	26 813 866			
	Milestones foreseen							2023
POSEIDOM: Guadeloupe: 30 415	Actual results							To at least maintain and develop the agricultural production
	30 965	30 695	30 415	30 066	30 193			
	Milestones foreseen							2023
POSEIDOM: Martinique: 22 827	Actual results							To at least maintain and develop the agricultural production
	23 822	23 492	22 827	22 079	23 583			
	Milestones foreseen							2023
POSEIDOM:								To at least maintain

Guyane: 31 208	Actual results							and develop the agricultural production
	29 425	31 268	31 208	32 624	32 374			
	Milestones foreseen							2023
POSEIDOM: Réunion: 41 945	Actual results							To at least maintain and develop the agricultural production
	43 411	43 061	41 945	42 329	41 943			
	Milestones foreseen							2023
POSEIDOM: Mayotte: 8 739	Actual results							To at least maintain and develop the agricultural production
			8 739	20 000	20 000			
	Milestones foreseen							2023
POSEICAN: Mainland Spain	Actual results							To at least maintain and develop the agricultural production
				23 432 700	26 295 539			
	Milestones foreseen							2023
POSEICAN: Canaries: 86 026	Actual results							To at least maintain and develop the agricultural production
	83 221	85 736	86 026	86 039	86 039			
	Milestones foreseen							2023
POSEIMA: Mainland Portugal	Actual results							To at least maintain and develop the agricultural production
				3 641 592	3 641 691			
	Milestones foreseen							2023
POSEIMA: Madeira: 4 893	Actual results							To at least maintain and develop the agricultural production
	5 262	5 262	4 893					
	Milestones foreseen							2023
POSEIMA: Azores: 123 793	Actual results							To at least maintain and develop the agricultural production
	118 589	118 589	123 793	:				
	Milestones foreseen							2023
Smaller Aegean Islands: 332 091	Actual results							To at least maintain and develop the agricultural production
	321 455	299 135	332 091	293 920	333 840			

Comment: The Annual Implementation Report (AIR) transmitted by Member States in year N provides data corresponding to year N-1. In this sense, the column "former results" shows data from 2016 extracted from the AIR transmitted in 2017, while the column "latest known result" shows 2017 data from the AIR transmitted in 2018. Yet, Spain's data are gathered late; former results, extracted from the 2016 AIR correspond to 2015, whereas the latest available data included in the 2017 AIR are from 2016. In addition, Portugal's farm structure data are collected every four or five years (data are available for 2013 and 2016), thus both former data and latest known data refer to year 2016. Nevertheless, the variation is calculated with respect to the previous available data, i.e. 2013.

Indicator 2: Specific Supply Arrangements (SSA) to ensure the supply of essential products: SSA coverage rate (relation between quantities of products benefiting from SSA support and total quantities of the same products introduced in the respective outermost region)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
POSEIDOM (all products): 36%	Actual results							100%
	39%	36%	36%	33%	35%			
	Milestones foreseen							2023
POSEICAN (Cereals only): 97.49%	Actual results							100.00%
	97.30%	99.50%	97.49%	70.02%	70.76%			
	Milestones foreseen							2023
POSEIMA Madeira (Cereals only): 99.8%	Actual results							100.00%
	99.20%	99.80%	99.80%	99.20%	98.50%			
	Milestones foreseen							2023
POSEIMA Azores (Cereals only): 82.4%	Actual results							100.0%
	83.1%	82.4%	82.4%	84.0%	77.0%			
	Milestones foreseen							2023
Smaller Aegean Islands (Animal feed stuff only): 99.8%	Actual results							100.00%
	99.40%	99.80%	99.80%	100.59%	99.47%			

Narrative: Target: SSA coverage rate of 100%

Source: MS Annual Reports

Indicator 3: Specific Supply Arrangements (SSA) to ensure an equitable level of prices for essential products: Price index with respect to the price in the mainland for some representative products or baskets of products

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							
POSEIDOM: Average of 5 DOM/metropole: 7.25%	Actual results							Reduction of the gap within mainland prices
	14.70%	7.70%	7.25%	5.75%				
	Milestones foreseen							
POSEICAN: Canaries (Wheat 100kg): 92%	Actual results							Reduction of the gap within mainland prices
	123%	126%	92%	119%	111%			
	Milestones foreseen							
POSEICAN: Canaries (Milking cow's animal feed 100kg): -14%	Actual results							Reduction of the gap within mainland prices
	13%	13%	-14%	9%	12%			
	Milestones foreseen							
POSEICAN: Canaries (Beef cattle animal feed 100kg): 0%	Actual results							Reduction of the gap within mainland prices
	20%	19%		22%	20%			
	Milestones foreseen							
POSEIMA:								Reduction of the

Madeira: 1%	Actual results							gap within mainland prices
	1%	1%	1%	1%	1%			
	Milestones foreseen							
POSEIMA: Azores (Rice): 7%	Actual results							Reduction of the gap within mainland prices
	7%	8%	7%	6%	4%			
	Milestones foreseen							
POSEIMA: Azores (Granulated white sugar): 17%	Actual results							Reduction of the gap within mainland prices
	2%	6%	17%	17%	11%			
	Milestones foreseen							
POSEIMA: Azores (Bread): 15%	Actual results							Reduction of the gap within mainland prices
	16%	15%	15%	15%	13%			
	Milestones foreseen							
Smaller Aegean Islands (Animal feeding stuff): 29%	Actual results							Reduction of the gap within mainland prices
	27%	29%	29%	30%	31%			
	Milestones foreseen							
Smaller Aegean Islands (Flour): 5.72%	Actual results							Reduction of the gap within mainland prices
	9.80%	5.72%	5.72%	5.00%	8.00%			

Comment: In their annual implementation reports for 2017, the Member States concerned have communicated data related to the common performance indicators, as requested by Annexes VIII and II to Commission Implementing Regulations (EU) No 180/2014 and 181/2014 respectively. However, the provided data may not be fully in line with the requirements of these annexes and thus not mutually comparable. Therefore, these indicators shall be evaluated with due caution. Discussion with the Member States concerned is ongoing in order to improve the collection of these data. The French authorities use in their annual reports a different methodology and data source to calculate this indicator (calculation based on value and not quantities, data taken from customs sources and not from SSA operators). Data provided for Madeira refers to prices for foodstuffs in general (indicator 2b). Under the current POSEI Regulation indicator 2b is compulsory in the Annual Implementing Report. PT communicates no separate data for Indicator 2a and Indicator 2b. Therefore it was agreed to use for Indicator 3 in the Programme Statement the figure provided by PT under Indicator 2b "foodstuffs".

POSEIMA: Azores - granulated white sugar: Change of product: the indicator for oil is no longer available due to modification of the programme.

Source: MS Annual Reports

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Regime for outermost regions of the EU: direct aids for banana reference area /quantities)	05 03 02 50	ES: 420 000 tonnes PT: 19 160 tonnes FR: 319 084 tonnes	276
Other	05 03 02 50 05 03 02 52		161
TOTAL			437

Outputs	2014	2015	2016	2017	2018	2019	2020
Regime for outermost regions of the EU: direct aids for banana reference area (quantities: tonnes)	ES: 371 013	ES: 371 013	ES: 420 000	ES: 420 000	ES: 420 000	ES: 420 000	ES: 420 000
	PT: 17 742	PT: 17 742	PT: 19 160	PT: 19 160	PT: 19 160	PT: 19 160	PT: 19 500
	FR: 251 733	FR: 251 733	FR: 319 084	FR: 319 084	FR: 319 084	FR: 319 084	FR: 319 084

Specific Objective 8: To provide the Commission with reasonable assurance that Member States have put in place management and control systems in conformity with EU rules designed to ensure the legality and regularity of the underlying transactions financed by the EAGF, EAFRD, SAPARD and IPARD and, where this is not the case, to exclude the expenditure concerned from

EU financing so as to protect the EU's financial interests

Performance

The legislative framework provides for the obligation of the Member States to send control statistics for a major share of the CAP budget. Since financial year 2016, the target has been achieved (98% coverage for the last three years). For a certain part of the schemes under market measures (ABB02), there is no legal requirement for the Member States to provide control statistics. Given the decreasing trend of expenditure under ABB02 and the stable situation for ABB03 and ABB04, it is expected that the evolution of the indicator will remain stable.

Justification of changes to the financial programming and/or to the performance information

08 02 06 03 - EAGF operational technical assistance (Monitoring and preventive measures) - Direct payments by the Union	(commitment appropriations - EUR 0.4 million) (payment appropriations - EUR 0.2 million)
Commitment appropriations requested in 2020 budget:	EUR 10.9 million
Commitment appropriations requested in 2021 DB:	EUR 10.5 million
Payment appropriations requested in 2020 budget:	EUR 10.6 million
Payment appropriations requested in 2021 DB:	EUR 10.9 million

To assist Member States carrying out on the spot checks and/or the checks by monitoring on aid applications, satellite imagery acquired is made available to the national authorities allowing them to determine the area of agricultural parcels, to identify crops and verify their status. Compared to budget 2020, the costs for the acquisition of satellite images for 2021 slightly decreases to EUR 8.6 million (largely the statistical effect of Brexit). At the same time, the cost of data management increases to EUR 1.9 million with the wider use of the monitoring approach. In addition, for Draft Budget 2021, payments of EUR 0.4 million are requested in view of earlier commitments for the administrative arrangement for related technical support needed to ensure and strengthen the quality and the technical implementation of the Integrated Administration and Control System (IACS) and the Land Parcel Identification System (LPIS), with an initial payment scheduled for 2020).

Indicator 1: Percentage of expenditure (EAGF+EAFRD) with statistics or 100 % check

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							
90%	Actual results							95%
		94%	98%	98%	98%			

Methodology: Data for Financial Year

Source: CATS/COMBO database based on the Annual Declarations from the Paying Agency

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Area of satellite imagery/data acquired for controls by Remote Sensing ⁴⁷	05 07 01 02	375 000 km ²	CA: EUR 10.9 million; PA: EUR 10.6 million

Outputs	2014	2015	2016	2017	2018	2019	2020
Area of satellite imagery/data acquired for controls by Remote Sensing	380 000 km ²	380 000 km ²	500 000 km ²	453 000 km ²	391 000 ⁴⁸ km ²	392 000 ⁴⁹ km ²	375 000 km ²

Specific Objective 9: To inform and increase awareness of the CAP by maintaining an effective and regular dialogue with stakeholders, civil society, and specific target audiences

Performance

⁴⁷ Figures presented cover only Very High Resolution (VHR) images

⁴⁸ The figure presented in the 2019 Programme Statement (414 000 km² for 2018) corresponded to the 2018 JRC work programme. The figure here is the actual realisation reported by JRC in November 2018. Very High Resolution (VHR) images tend to decrease in favour of High Resolution images (HR).

⁴⁹ 2019: Effective acquisition of VHR imagery. 2020 forecast, depending on pre-imagery request from MS (cf. JRC's Work programme 2020).

Budget item 08 02 06 03 - EAGF operational technical assistance is foreseen to finance the communication efforts of the Commission in relation to the CAP.

The overall needs for Draft Budget 2021 for communication are estimated at EUR 11.7 million. This includes an amount of EUR 4.15 million destined for grants to third party organisations. Other external communication actions in 2021 financed under this budget article, such as conferences, media activities, attendance in fairs, publications, web and social media activities, will focus on the relevance of the CAP in particular in relation with the growth, jobs and investments priority theme and will amount to EUR 3.85 million. The scope, choice and intensity of these communication actions will be in line with the 2021 External Communication Action Plan of the Directorate General for Agriculture and Rural Development.

In 2021 the EAGF will also contribute to the Corporate Communication Strategy of the Commission with around EUR 3.7 million, with the EAFRD contributing EUR 3.2 million (under budget item 08 03 02).

Indicator 1: Public awareness of CAP								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							
Percentage of Europeans who believe that agriculture and rural areas play important role for their future: 94%	Actual results							Maintain and if possible increase awareness of the CAP
		95%		92%				
2015	Milestones foreseen							
Percentage that have heard about support that the EU gives farmers through its CAP: 69%	Actual results							Maintain and if possible increase awareness of the CAP
		69%		67%				

Source: Standard Eurobarometer

Indicator 2: Number of page visits on AGRI Europa website								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							
4.9	Actual results							Maintain and if possible increase the number of page visits with respect to previous year level
	5.20	5.80	5.80	1.80	1.90	1.97		

Comment: As from 2018, AGRI web content has been moved to the Commission info site. Statistics for 2019 sum data from the old AGRI Europa website and the new web space, the Food Farming Fisheries class.

The discrepancies in the statistics come from the fact that until 2016, Europa Analytics used SAS, which was a tool based on server logs. This means that everything was taken into account, even robots visits on the pages, and not only human visitors. Piwik the new system uses a method which takes into account only pages that have been effectively visited by humans. This is more accurate but the consequence is lower figures in the statistics. The Europa info website is being transformed to collate information that is clear, concise, readable and relevant for users. The design is based from evidence gathered which indicated that users think in terms of topic, not by DG. Therefore, the Food, Farming and Fisheries section combines information from DG AGRI, SANTE and MARE to help users to find content relevant to them. Number of page visits for the Food, Farming and Fisheries section (all pages): 214 556

- CAP at a glance page – number of page visits: 48 058

- Future of CAP page – number of page visits: 30 661

Source: Piwik Analytics

Unit of measure: Million

Expenditure related outputs

Output	Budget line	Budget 2020	
		Number of commitments	EUR million
Grants awarded to third party organisations to implement actions to improve the level of understanding of the CAP among EU citizens	05 08 06	20	4
Media and web	05 08 06	28	4
conferences, fairs, events - Networking	05 08 06		
Horizontal activities	05 08 06		
Corporate communication	05 08 06	1	5.7
Total			13.7

Outputs	2014	2015	2016	2017	2018	2019	2020
Grants awarded to third party organisations to implement actions to improve the level of understanding of the CAP among EU citizens	11	16	18	16	15	18	20 ⁵⁰
Media and web	12	9	5	9	8	7	25
Conferences, fairs, events, networking	5	6	12	10	12	13	
Horizontal activities	5	6	10	7	6	5	
Corporate communication	1	0	1	1	1	1	1

Specific Objective 10: To facilitate decision making on strategic choices for the CAP and to support other activities of the DG by means of economic and policy analyses and studies

Performance

Justification of changes to the financial programming and/or to the performance information]

The Farm Accountancy Data Network data are essential tools for the monitoring of agriculture income and business which are used for the evaluation and the impact analysis of the agricultural measures. They provide support to the decision-making process related to the CAP.

The appropriations requested for 2021 relate to the **Farm Accountancy Data Network** (EUR 16 million) and are intended to finance the standard fee for FADN farm returns transmitted by the Member States (81 795 * EUR 180) and the development and maintenance of the information system used for the collection, processing, analysis, publication and dissemination of the farm accountancy data and analysis results (EUR 1.2 million).

Information from **Farm Structure Surveys** is systematically used in extended impact assessments, evaluation and policy conception, particularly regarding the regional situation of specific sectors. The content of the surveys is regularly adapted to answer new needs for agricultural and rural development policy and other policies (in particular regional, social and environmental policy). In 2021, no new appropriations are needed for the agricultural census 2020 (pre-financing was done in 2019 and final payments are scheduled to be made in 2022).

Under restructuring of systems for agricultural surveys, the Draft Budget 2021 includes an amount of EUR 2.3 million in commitment and EUR 2.4 million in payment appropriations for the MARS agro-meteorological system used for monitoring crops and forecasting yields of the main crops in Europe and its neighbourhood. EUR 4.0 million in commitment appropriations is included for the LUCAS 2021 project for surveys gathering information on land cover, land use and landscapes. In addition, EUR 6.4 million in commitment appropriations and EUR 5.8 million in payment appropriations is destined for the maintenance, development and use of modelling tools used by the Commission in its agricultural economic and policy analysis.

Indicator 1: Representativeness of information about the EU farm economic situation collected by the Farm Accountancy Data Network (FADN)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							2017
Farm returns collected for accounting year: 82 909	Actual results							Maximum 86255
	83 252	82 909	83 950	84 616	83 181			
2015	Milestones foreseen							2017
Coverage of the Standard Output: 94%	Actual results							90%
	95%	94%	95%	95%				
2015	Milestones foreseen							2017
Coverage of the Utilised Agricultural Area: 92%	Actual results							90%
	93%	92%	92%	92%				

Comment: The data provided is for the respective accounting years (2018 was delivered by the end of 2019).

Source: EU FADN

Indicator 2: Adequate knowledge of Farm's structure

⁵⁰ Estimate

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2016
	Actual results							
Timely information on farm structures is available in the Eurostat database		Data of Farm Structure Survey 2013 delivered by Member States to Eurostat by December 2014 and made available by Eurostat to users as from first quarter 2015.	Data of Farm Structure Survey 2013 have been published in the Eurostat database. The Farm Structure Survey 2016 has been carried out by Member States. Data are expected to be made available by Eurostat by the end of 2018. The legal framework for the 2020 agricultural census is under preparation.	Data of Farm Structure Survey 2013 have been published in the Eurostat database. The Farm Structure Survey 2016 has been carried out by Member States. Data are expected to be made available by Eurostat by the end of 2018. The legal framework for the 2020 agricultural census is under preparation.	The Farm Structure Survey 2016 was carried out by Member States. Eurostat has started to publish data from this survey in 2018 (to be completed in 2019). The new framework regulation for the 2020 agricultural census and farm surveys in 2023 and 2026 entered into force in 2018.	Eurostat has published more data from the 2016 Farm Structure Survey. Grant agreements have been signed with Member States for the agricultural census 2020. Portugal has carried out the census in 2019.		All relevant indicators and factsheets updated with FSS 2016 data and published on the Europa website. In-depth use of FSS 2016 data for analyses on farm structural change

Source: Eurostat – Farm Structure Survey

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Data collection on EU Farm Accountancy Data Network (FADN) data on farm returns and IT costs	05 08 01	84 680	15.7
Surveys on the structure of agricultural holdings	05 08 02		-
Restructuring of systems of agricultural surveys	05 08 03		7.5
Studies and evaluation	05 08 09		4.5
Total			27.7

Outputs	2014	2015	2016	2017	2018	2019	2020
Data collection on EU Farm Accountancy Data Network (FADN) data: farm returns	86 905	82 909	83 954	86 255	84 680	84 680	84 680
Data collection on structure of agricultural holdings: farms surveyed (thousands)			1 700 ⁵¹				10 500

4. Contribution to Europe 2020 Strategy and mainstreaming of policies

Table Contribution to Europe 2020 headline targets

The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)

Contribution to mainstreaming of climate action

Relevant objective/output	Budget 2019	Budget 2020
To contribute to the development of sustainable agriculture through the "green direct payment" and cross compliance	7 768,0	7 815,0
Total	7 768,0	7 815,0

Programmation climate action

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
3 316,0	3 273,0	7 938,0	7 643,0	7 751,0	7 768,0	7 815,0	45 504,0

⁵¹ The Farm Structure Survey 2016 covered roughly 1 700 000 farms. Funding for this survey was spread over the budget years 2015-2018. The agricultural census 2020 will cover around 10 500 000 farms, funding will be spread over the budget years 2019-2022.

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

As of Draft budget 2016 the climate action contribution is calculated accordingly:

- The payment for agricultural practices beneficial for the climate and the environment (budget item 05 03 01 11, in 2021 budget article 08 02 05) is split into three equal tiers, in analogy to the three compulsory farming practices applicable. The tiers receive the following Rio markers taking into account the climate contribution of the three compulsory green direct payment obligations: 1st tier 0% (crop diversification), 2nd tier 40% (ecological focus area), 3rd tier 100% (permanent grassland);
- plus a Rio marker of 40% applied to 20% of the remaining direct payments taking into account cross-compliance (i.e. 8% of budget chapter 05 03 direct payments without payment for agricultural practices beneficial for the climate and the environment and without payments for the Small farmers scheme which are not subject to cross-compliance).

In 2021, EAGF expenditure will continue to contribute to the EU’s climate action objectives. The same methodology as outlined above will be used to track the climate-related expenditure of the EAGF, considering also that the current CAP legislation will continue to apply in financial year 2021.

Contribution to financing biodiversity

Relevant objective/output

Relevant objective/output	Budget 2019	Budget 2020
Contribute to the enhancement of the environmental performance of the CAP through the greening component of the direct payments. Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through cross-compliance. Contribute preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water through the standards of good agricultural and environmental conditions	5 868,0	5 903,0
Total	5 868,0	5 903,0

Programmation biodiversity

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
3 316,0	3 273,0	6 030,0	5 795,0	5 856,0	5 868,0	5 903,0	36 041,0

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

As of Draft Budget 2016, with the new direct payments' schemes fully implemented, the contribution to biodiversity is calculated as follows:

- for the payment for agricultural practices beneficial for the climate and the environment (budget item 05 03 01 11, 08 02 05 05 in 2021) a Rio marker of 40% is applied;
- plus a Rio marker of 40% is applied to 10% of the remaining direct payments taking into account cross-compliance (i.e. 4% of budget chapter 05 03 Direct payments (article 08 02 05 in 2021) without payment for agricultural practices beneficial for the climate and the environment and without payments for the Small farmers scheme which are not subject to cross-compliance).

In 2021, EAGF expenditure will continue to contribute to biodiversity. The same methodology as outlined above will be used to track this contribution, considering also that the current CAP legislation will continue to apply in financial year 2021.

Contribution to financing air quality

One of the elements of cross-compliance, Good Agricultural and Environmental Condition number 6: “prohibition to burn stubble in the field to maintain organic matter in the soil”, contributes to the reduction of PM-10 emissions. However, due to difficulty to quantify the contribution and the expected low value of this element in the overall value of direct payments, the contribution is fixed at 0%.

Gender mainstreaming

The data on gender in the Farm Structure Survey⁵² shows that in 2016, seven in every ten (72%) farm managers on the 10.5 million holdings in the European Union (EU) were male. The EU countries with the highest proportions of female farm managers in 2016 were Latvia and Lithuania (both 45%), followed by Romania (34%) and Estonia (33%). In contrast, there were four Member States where the proportion of farm managers who were female was at or below 10 %: The Netherlands (5%), Malta (6%), Denmark (8%) and Germany (10%).

⁵² <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/DDN-20190114-1>

However, given the lack of gender-specific data, detailed estimations of the EU budget contribution to gender equality are not available at present.

MS have recently started to collect data on gender for the Farm Accountancy Data Network, but no result is currently available. No other study has been made on this subject.

For EAGF, there is no explicit specific objective or dedicated action addressing specifically gender equality. *See EAFRD Programme Statement for the action of the CAP in this field.*

HEADING 2: Sustainable growth: natural resources**European Agricultural Fund for Rural Development (EAFRD)****Lead DG: AGRI**

Associated DGs: REFORM

I. Overview***What the programme is about?***

The European Agricultural Fund for Rural Development (EAFRD) finances the EU's contribution to Rural Development Programmes (RDPs). The RDPs contribute to smart, sustainable and inclusive growth in the EU by supporting farms, food and forestry sectors and other entities operating in rural areas such as non-agricultural businesses, non-governmental organisations and local authorities. They enhance the economic viability and sustainability of farms and rural businesses by fostering knowledge transfer and innovation, investing in green technologies, skills and training as well as promoting entrepreneurship and networking. The RDPs also help farmers develop their businesses in a sustainable manner by supporting the preservation of natural resources, promoting environmentally sustainable land management, enhancing ecosystems and maintaining landscapes attractive for tourism.

The EAFRD is also an important tool to mitigate climate change and support the shift towards a low carbon and a climate resilient economy, by helping farmers and rural businesses to reduce greenhouse gas and ammonia emissions and adapt to climate change consequences. It also supports farmers in managing renewable resources and waste, thus making a direct contribution to the Energy Union.

The EAFRD contributes to job creation and income diversification and provides the potential to integrate migrants. It also makes an important contribution to the Digital Single Market by supporting broadband infrastructure and various ICT solutions in rural areas. This has a positive effect on the quality of life of EU citizens. Moreover, support for interactive innovation projects under the European Innovation Partnership for Agriculture (EIP) helps contribute towards the Europe 2020 objectives by encouraging innovation and entrepreneurship, promoting inclusiveness and increasing the impact of EU-funded research on the economy.

EU added value of the programme

Under the second pillar of the CAP, rural development programmes make a vital contribution to the economic, social and environmental performance of EU in rural areas.

Rural development programmes are designed to deliver towards six common EU priorities while taking into account national and regional specificities. This ensures a consistent, coherent and result-oriented approach to a number of cross-border issues: biodiversity, water, climate change, European growth and jobs, poverty reduction and open innovation. The EAFRD works as a catalyst, delivering results also in areas related to other EU policies such as environment, climate, food safety, health, research and innovation, Digital Single Market and Energy Union.

It invests in the development of rural businesses and holdings, improving competitiveness whilst ensuring sustainable management of natural resources. Support for interactive innovation projects under the European Innovation Partnership for Agriculture (EIP) as well as support for training and diversification aims to deliver on the Europe 2020 objectives as they encourage innovation and entrepreneurship, promote inclusiveness and increase the impact of EU funded research projects in the real economy. The EAFRD performance and results are enhanced by the European Network for Rural Development which allows for exchange of experience and best practices amongst national and regional authorities.

Implementation mode

The bulk of CAP expenditure is implemented through shared management with the Member States for interventions in agricultural markets and direct support (EAGF) as well as rural development (EAFRD). Implementation vis-à-vis final beneficiaries is delegated to the Member States, while the Commission is responsible for the implementation of the overall legal framework, budget implementation and for Member States' supervision. The CAP legislation provides that Member States shall accredit Paying Agencies, which are dedicated bodies responsible for the management and control of Union funds, notably payments to beneficiaries and financial reporting to the Commission.

Only a fraction of CAP expenditure concerns actions under direct management by the Commission: contracts are concluded directly with third parties to supply the Directorate General with data, studies, promotion activities and information and communication activities, etc.

II. Programme Implementation Update

All 118 rural development programmes (RDP) are up and running and currently being implemented. In 2019, Member States presented 160 proposals for programme amendments of different nature, including the mandatory amendments linked to the implementation of the Performance Review.

Calls for application by beneficiaries have been published at the level of Member States and regions. By 31 December 2018, around EUR 100 billion has been committed to projects and beneficiaries. This represents 66% of the total public allocation for 2014-2020.

By end 2019, total EAFRD payments from the EU budget to Member States amounted to EUR 50.4 billion (including pre-financing and interim payments), which is 50 % of the total commitments for the period 2014-2020. In terms of implementation, this places the EAFRD in advance of the other European Structural and Investment (ESI) funds. In 2019, EAFRD reimbursed EUR 13.8 billion in interim payments.

Member States had to notify their decision on reduction and flexibility between the CAP pillars for financial year 2021 by 31/12/2019 and 08/02/2020. As regards the reduction of direct payments, Bulgaria, Czechia, Denmark, Estonia, Ireland, Spain, Italy, Latvia, Hungary, the Netherlands, Poland, Portugal, Slovakia, Finland and Sweden have notified a total estimated amount of EUR 58.2 million that will be transferred to their respective EAFRD allocations. As regards the flexibility between the CAP pillars, Belgium, Denmark, Germany, Greece, France and the Netherlands have notified their decision to transfer in total EUR 1 114.2 million from direct payments to rural development. On the other hand, Croatia, Hungary, Malta and Poland notified a transfer of EUR 418.5 million to direct payments. Therefore, these transfers result overall in a net increase of the EAFRD allocation by EUR 753.9 million for 2021.

Implementation Status (2017-2019)

The implementation of the 2014-2020 rural development programmes remains at cruising speed. In 2019, reinforcements of payment appropriations for the EAFRD of in total EUR 366 million in the Global and End of year transfers underline the good and steady implementation. In 2019, Member States submitted also their fourth Annual Implementation Reports (AIRs) on the implementation of the Rural Development Programmes (RDPs) covering implementation until 31 December 2018.

For the 2014-2020 period, a number of initiatives have been launched which are expected to improve efficiency and effectiveness of EAFRD expenditure:

- To facilitate the implementation of the EU funds, the EAFRD Implementing Act was already modified in April 2016. In addition, the EAFRD basic act was modified in 2017 through the so-called Omnibus Regulation¹, amongst others to improve risk management tools for farmers, reduce administrative burden for beneficiaries and simplify conditions for financial instruments. Finally, the Implementing Act on administration and control systems (Regulation (EU) No 809/2014) was also modified in July 2017 to simplify control rules for non-area related measures.
- Simplified Cost Options (SCOs) are being increasingly used by Member States and regions in order to improve the efficiency and effectiveness of EAFRD support and to reduce the administrative burden. Currently around 76% of the RDPs are using at least one type of SCOs and the number is expected to increase. As an example, flat rates are used to cover indirect costs, unit costs for training activities or investments and lump sums for cooperation actions. MS and regions are introducing more SCOs in the context of RDPs amendments and this trend is expected to continue. The Commission has greatly promoted the use of SCO through dedicated seminars and other networking activities.
- Under the technical assistance programme fi-compass2 in total 30 cases of targeted coaching on financial instruments for EAFRD managing authorities were carried out in the period 2016-2019, of which 4 new were done in 2019. Four EU-wide conferences were organised with 605 participants in total. In 2019, three specific EAFRD financial instruments studies were published and an EU wide survey of agro-food processors was undertaken. A study assessing the gaps in financing agriculture and agro-food sectors in 24 Member States is underway; an EU agro-food survey of financial needs was carried out in its context. The activities related to dissemination of information through conferences, specific brochures, websites and communication newsletters, etc. continued.
- More than 30 workshops and capacity building events have been organised by the European Network for Rural Development since 2015 in order to share best practices and experience and to help stakeholders (including, among others, managing authorities, paying agencies, EU-wide organisations, local action groups, evaluators, etc.) to work together in a strategic manner and enhance the performance of rural development programmes. The timing and the content of the events has been specifically designed in agreement with the Commission services (in particular the Directorate General for Agriculture and Rural Development) according to the different stages of the programming cycle (e.g. defining selection criteria at the launching phase of the programmed, or addressing bottlenecks in RDP Implementation in view of preparing for the Performance Review or starting the discussions on the CAP reform) and to better exploit the potential of the programmes to deliver on specific issues of political relevance (e.g. generational renewal, Smart Villages, biodiversity or farm resilience).
- An increased awareness of implementation feasibility and possible errors is guaranteed through an ex-ante assessment of the rural development measures by Member States, aiming to ensure they are verifiable and controllable and taking into account the results of controls in the previous programming period.

¹ Regulation (EU) 2017/2393, OJ L 350, p.15

² For more information on EAFRD fi-compass see: <https://www.fi-compass.eu/esif/eafrd>.

Programmes' implementation 2014-2020 (Common Strategic Framework)*

Thematic objectives of the Common Strategic Framework	Commitments 2014-2020 EUR million (1)	Cumulative payments declared by Member- states at end 2019 (2)	(2)/(1) %
1. Strengthening research, technological development and innovation Outputs:	2.340,22	333,13	14%
2. Enhancing access to, use and quality of, information and communication technologies Outputs:	1.001,12	195,17	19%
3. Enhancing the competitiveness of the agricultural sector Outputs:	28.280,41	12.091,80	43%
4. Supporting the shift towards a low-carbon economy Outputs:	4.369,17	1.700,97	39%
5. Promoting climate change adaptation, risk prevention and management Outputs:	21.151,64	12.722,88	60%
6. Protecting the environment and promoting resource efficiency Outputs:	25.382,85	14.537,81	57%
8. Promoting sustainable and quality employment and supporting labour mobility Outputs:	2.517,85	703,39	28%
9. Promoting social inclusion and combating poverty Outputs:	11.740,20	3.785,13	32%
10. Investing in education, training and vocational training for skills and lifelong learning Outputs:	1.021,94	250,51	25%
TOTAL	97.805,40	46.320,79	47%

*The above allocation of commitments into thematic objectives is indicative based on the Member States' programmes, situation at the end of 2019. The breakdown can be subject to changes due to possible modification of the RDPs. The cumulative amounts of payments declared by Member States are provided until Q3 2019. The amounts for Technical Assistance Measures and Discontinued Measures are not included as they do not contribute to any of the thematic objectives.

The 47% execution rate until the declarations of the third quarter of 2019, corresponding to the financial year 2019, shows a slightly slower pace of implementation compared to the one reached at the equivalent point in time of the previous programming period (55%), but stands above the average implementation rate of other ESI Funds in terms of payments declared. The implementation rate should be assessed considering different factors. First, from the end of 2019, there remain still four years of the implementation period. Second, the overall level of commitment at EU level reached 81% until Q3 2019. Finally, in the case of rural development, a part of the expenditure is realised during the last years of implementation. The latter is mainly related to the late realisation of some investment projects, such as the ones for broadband development, which contribute to the relatively low implementation of thematic objective (TO) 2. The rather low execution rate of local development strategies (TOs 8 and 9) can also be explained by a later implementation. Area related payments, generally associated to agri-environmental-climate commitments follow a more regular (annual) path, which explain the better implementation in TOs 5 and 6. For TO 1, the uptake and achievement of results is not yet fully in place. This is explained by the late start the measures chosen by MS, partially due to the need to adapt to the changes in the legal framework and the fact that some measures are new and have a longer project lifetime (e.g. cooperation projects and the new measure European Innovation Partnership for Agricultural Productivity and Sustainability).

Key achievements

Overall, the screening of the Annual Implementation Reports for 2018 confirms a steady acceleration in spending levels compared to the first years of implementation. This situation has permitted to catch up the initial delays linked to the relatively late starting of the 2014-2020 RDPs. By the end of 2019, spending levels reached 50% of total EAFRD resources, matched by 85% in terms of commitments. The results and outputs achieved by the end of 2018 (latest figures available³) are fully representative of what is expected from the implementation. With programme implementation at cruising speed, the situation is likely to further improve in the next years, especially regarding operations linked to the creation of jobs, for which an improvement is already visible but more is expected in the coming years. The latter are operations that normally take more time to be completed and produce, with achievements materialising usually by the end of the programming period according to previous experience. Some positive results can already be pointed out, with 113% already achieved of the final target for rural population covered by local development strategies.

³ Latest data are collected from the Annual Implementation Reports 2018 (submitted in 2019). The data on the implementation in 2019 will become available in the second half of 2020.

As regards ex-ante conditionalities applying to EAFRD, a number of them were subject to the implementation of specific action plans in view of reaching full compliance by the end of the year 2016. All of the action plans have successfully been implemented and the conditionalities can therefore be considered as fulfilled.

A number of specific key achievements include:

Measures that significantly contribute to the environmental and climate objectives of the CAP:

- In 2018, a total of 3.4 million hectares of agricultural and forest land was covered by management contracts contributing to carbon sequestration or conservation. This is 89.5% of the target of 4 million hectares in 2023.
- In 2018, 521 000 hectares of irrigated land had switched to more efficient irrigation systems. This is 40% of the target for 2023. Given the long time span between plans and the realised investments, this is well on track.
- In 2018, 16.1% of agricultural land and 0.4% of forest areas were covered by management contracts contributing to biodiversity. This is close to the targets of 17% and 2% respectively for 2023.
- In 2018, investments in energy efficiency or renewable energy production reached EUR 897 million. This is 17% of the EUR 5.2 billion target set for 2023 at EU level.
- In 2018, 665 000 livestock units were concerned by investments in livestock management in view of reducing greenhouse gases or ammonia emissions. This is 60% of the EU 2023 target of 1.1 million livestock units.
- In 2018, 4.2 million hectares were under land-management contracts targeting reduction of greenhouse gases or ammonia emissions. This represents 80% of the EU 2023 target of 5.2 million hectares covered.

Measures to enhance farm viability and competitiveness and knowledge transfer:

- In 2018, 42% of the agricultural holdings targeted to receive aid for investments support in restructuring and modernisation has been supported. The 2023 target is to support 2.73% of all European holdings.
- By 2018, almost 60% of the holdings targeted to receive aid for a development plan for young farmers have been supported. The 2023 objective is to support 1.46% of all European holdings.
- 1.5 million beneficiaries received vocational training in agriculture, which represents 40% of the target set for 2023.

These measures contribute to the resilience of the EU farming sector.

Broadband access in rural areas continues to improve, but is lagging behind urban areas. In 2018⁴, 53% of rural households have next generation access compared to 83% of total EU households. There is a clear improvement on the previous year's results, but it is still clear that closing the connectivity gap of rural areas remains a challenge. The level of broadband access depends significantly on general developments in telecoms markets (and finance from other policy tools – including the European Regional Development Fund). The CAP plays its part by offering explicit support for setting up, expanding and improving broadband infrastructure, as well as for the provision of broadband internet access (i.e. improved connections to infrastructure), and access to e government. According to targets aggregated from the 2014-2020 RDPs, in the current programming period, the CAP will help 17 million people living in rural areas to benefit from improved access to ICT services and infrastructure. In 2019, DG AGRI continued to work closely with DG REGIO, CNECT and COMP to further develop the network of Broadband Competence Offices (BCOs) in Member States and their regions, as well as a Brussels-based Support Facility, contracted and managed by DG AGRI. By the end of 2019, the BCO network was made of 28 National and 88 Regional BCOs in the EU, plus 6 BCOs in the West Balkan countries and one BCO in Norway. In 2019 DG AGRI continued working on the "Action Plan for Rural Broadband"⁵, launched in November 2017, with the presentation of the 'rural proofing checklist' and the finalisation of a "handbook" of best practices of rural broadband projects.

Evaluation/studies conducted

As the evaluations in 2019 concerned issues common to EAGF and EAFRD, please refer to the EAGF programme statement.

The key findings of the evaluation on forestry measures ([SWD\(2019\)389](#) and [391](#)) have been presented in the EAFRD Programme Statement 2019.

The key findings of the Synthesis of Rural Development Programmes (RDP) ex-post evaluations of period 2007-2013 and of the evaluation study of the instruments applicable to State aid in the agricultural and forestry sectors and in rural areas have been presented in the Programme Statement 2020 (SWD references not yet available).

Forthcoming implementation

As a result of the implementation of rural development programmes the following targets, amongst others, are expected to be achieved at the level of the Union at the end of the programming period: 27.5 million hectares of agricultural land concerned by commitments targeting biodiversity; 53% of the total rural population (147.5 million inhabitants) living in areas for which local development strategies are implemented by selected LEADER Local Action Groups (LAGs); investments in improved energy

⁴ Latest data available.

⁵ <https://ec.europa.eu/digital-single-market/en/news/european-commission-joins-forces-help-bringing-more-broadband-rural-areas>

efficiency for almost 16 000 farms; support for about 198 000 young farmers to set up their businesses and for more than 340 000 farmers to modernise and improve their production facilities. As for the rural business outside the farms gate, some 52 000 rural entrepreneurs are to receive support to develop their businesses.

In terms of expected achievements, the numerous targets are linked to EAFRD 2014-2020 expenditure. The first effects on the simplification actions adopted through the Omnibus Regulation, namely regarding the use of simplified costs options and financial instruments as well as support for risk management could already be noticed in 2018: several Member States have requested to amend their Rural Development Programmes in order to use these possibilities, while more and more Member States are extending the use of simplified cost options.

Considering the state of play in the discussions with the co-legislators on the future CAP and in order to ensure continuity in support to CAP beneficiaries in 2021, the Commission presented to the European Parliament and the Council on 31 October 2019 a draft Transitional Regulation⁶. This Transitional Regulation aims to allow amongst others that Member States who risk running out of EAFRD funds in 2021 to decide on an extension, or not, of their rural development programmes to 2021. The extended RDPs shall follow the existing legal framework, and shall be financed by the budget allocation for the year 2021 (“old rules – new money” principle).

In addition, a regulation was adopted by the co-legislators end January 2020⁷ to provide amongst others the flexibility for Member States to transfer funds between the CAP pillars for calendar year 2020 and extend the financial discipline provisions.

A proposal for an amendment to Regulation (EU) 1305/2013 was adopted by the Commission on 30/04/2020 (COM (2020)186) as a response to the COVID-19 outbreak. The exceptional temporary measures proposed with this amendment aim at providing relief to farmers or small-medium sized agri-businesses affected by COVID-19, and to ensure liquidity over the crisis period (max EUR 5 000 per farmer and max EUR 50 000 per SME). The Commission proposed to limit the EAFRD support for these measures to a maximum of 1% of the total EAFRD contribution to the rural development programmes.

Outlook for the 2021-2027 period

Refer to Common Agricultural Policy (CAP) programme statement for more information, which are relevant for both EAGF and EARDF.

III. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014	2014 - 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	2018	2019	2020	Total Programme
Total	5 285,0(*)	18 169,8	18 676,3	14 364,0	14 380,3	14 727,3	14 708,7	100 311,3
<i>Of which contribution to European Solidarity Corps</i>					1,8			1,8

⁶ COM(2019) 581

⁷ Regulation (EU) 2020/127 of the European Parliament and of the Council of 29 January 2020 amending Regulation (EU) No 1306/2013 as regards financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020, OJ L 27, 31.1.2020, p. 1-5

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

2. Implementation rates

	2019				2020			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Voted appropriations	14 727,263	99,99 %	13 509,768	99,97 %	14 708,662	99,89 %	13 141,224	40,86 %
Authorised appropriations (*)	14 764,820	99,73 %	14 511,070	93,07 %	14 736,386	99,70 %	13 769,498	39,00 %

(*) Authorised appropriations include voted appropriations, appropriations originating from assigned revenues (internal and external) as well as carried-over and reconstituted appropriations; the execution rate is calculated on 15 April 2020

3. Performance information

Programme performance

Further progress has been made in terms of programme performance. To mention some examples, by the end of 2018, over 130,000 farms have been selected to receive financial support to restructure and modernise their holdings, and to achieve productivity gains. On climate and environmental actions in agriculture (e.g. carbon sequestration, reduction of greenhouse gases and ammonia emissions), good progress has been made, in particular with farmers joining voluntary agri-environment-climate schemes to develop environmentally -friendly farm management. The targets to reach by end of 2023 are: (i) 17% of EU agricultural land under management for biodiversity, (ii) 14% for better soil management, and (iii) 14% for better water management. In all three cases, over 83% of the targets have been reached.

At the end of 2018 the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) was supporting 7,730 interactive innovation projects, against an overall target at the end of the implementation period of more than 13,000 projects. Knowledge and innovation developed through the EIP-AGRI projects are shared through national innovation and rural networks and the EIP-AGRI network. By the end of 2018, nearly 1,5 million people had taken part in vocational training activities supported by the EAFRD. In the same period, 2,9 million people had benefitted from improved infrastructures for information and communication technologies, against an overall target of 16,9 million people by the end of 2023.

In 2019, the performance review took place in order to decide on the performance of each priority of the programmes and whether the performance reserve (6% of the budget attributed to each RDP) could be allocated as initially planned. Based on the information included in the Annual Implementation Reports (AIR) for 2018, submitted in June 2019, decisions were taken about the attribution of the performance reserve to those priorities for which established milestones were satisfactory achieved by the end of 2018. In a number of relatively limited cases, the Member States had to re-attribute the performance reserve of priorities not having reached their milestones to other successful priorities. In the years preceding the performance review, based on continuous monitoring of the programmes, Managing Authorities were actively encouraged to take all the necessary steps in order to speed up the implementation of the RDPs. Where needed, the Member States were requested to take necessary remedial actions.

In summary, out of the 111 programmes for which the performance reserve was established, 71 programmes have achieved milestones for all their priorities (64% of programmes).

For the remaining 40 programmes:

- 28 programmes have missed 1 priority (25%);
- 7 programmes have missed 2 priorities (6%);
- 5 programmes have missed 3 priorities (less than 5%);
- No programmes have missed more than three priorities.

Based on the above, EUR 5.2 billion of the performance reserve was attributed to the priorities that achieved the milestones, through Commission Decisions adopted during the summer 2019. Some EUR 306 million (or 6% of the total Performance Reserve amounts) have been reallocated from unsuccessful to successful priorities through programme modifications

Fourteen programmes have experienced serious failure in achieving at least one milestone. Although the legal framework provides the possibility, under certain conditions, to proportionally suspend payments to seriously underperforming priorities, no such suspensions were applied. This is because relevant correctives actions have been already undertaken by the Member States concerned and the situation has been resolved. Serious failures concern in particular Priority 5 (resource efficiency, low carbon and climate resilience) and Priority 6 (social inclusion, poverty reduction and economic development). In fact, those priorities typically include long term-investments (infrastructures, energy efficiency) and local development strategies (LEADER), which take a certain time to materialise. Overall, the outcome of the performance review, carried out in 2019 based on the levels of achievement reached at the end of 2018 are satisfactory, also in comparison with the other European Structural and Investment Funds.

The implementation of area and animal-related support in 2014-2020 (e.g. related to environmental commitments and animal welfare) is well advanced. In this context, rules concerning the payment deadlines to the beneficiaries were introduced as from calendar year (CY) 2019. This is also expected to further facilitate the implementation of those commitments. Some delays are still

observed in relation to measures that can take several years to be completed (long-term investments such as broadband, other infrastructures) or that are conditional to the implementation of a business plan, which can take up to five years to be "completed" (business start-up). Significant progress in the implementation of those measures has been made in 2018 and is expected to increase further in the coming years.

The CAP measures on generational renewal have a positive impact on attracting and keeping young farmers in rural areas and improving employment, despite the difficulty to isolate the effects of individual CAP measures addressing generational renewal and the strong influence of external factors. However, these measures are often insufficient on their own, to address two main barriers to generational renewal: access to land and capital that depend mostly on national legal, social and fiscal policies.⁸

The legislative proposal on the CAP Strategic Plans takes into account the main lessons learnt so far from the current rural development programming period, amongst others by reducing the level of prescription of the interventions and improving the synergies with the other instruments of the CAP (i.e. direct payments and sectoral programmes). The new CAP Strategic Plans will have to pay specific attention to attracting young farmers and will also promote employment, growth, social inclusion and local development in rural areas. The rural development support will also provide a decisive input into the new call for enhanced environmental and climate actions linked to the green deal initiative. The future CAP plans will include the following types of interventions, funded by the EAFRD: (i) environmental, climate and other management commitments; (ii) compensation for natural or other area-specific constraints; (iii) area-specific disadvantages resulting from certain mandatory requirements; (iv) investments; (v) installation of young farmers and rural business start-up; (vi) risk management tools; (vii) cooperation; (viii) knowledge exchange and information.

Justification of changes to the financial programming and/or to the performance information

The total EAFRD budget request for 2021 amounts to EUR 15.0 billion in commitment appropriations and EUR 14.7 billion in payment appropriations, mainly to finance EAFRD support under the rural development programmes including the exceptional temporary measures proposed as a response to the COVID-19 outbreak. A minor part of these amounts covers the technical assistance at the initiative of the Commission at a level of EUR 35.6 million in commitment appropriations and EUR 24.9 million in payment appropriations, of which EUR 7.2 million are needed for the completion of technical assistance actions from 2014-2020.

As regards the Rural Development programmes, the amounts for 2021 are calculated based on the assumption that all Member States will make use of the transitional provisions⁹ and decide on an extension of their Rural Development programmes for 2021.

In the absence of an agreement on the MFF, no financial programming is currently available for the period 2022-2027.

General objectives

Look at CAP chapter of Draft budget. General objectives of Common Agricultural Policy apply for both EGAF and EARDF.

Specific objectives

For the 2014-2020 rural development programmes, for each of the specific objectives, the Commission has defined result-type "Target Indicators" in the rural development (RD) Common Monitoring and Evaluation System (CMES). At least one target indicator is available for each of the 18 RD focus areas¹⁰. The application of each of these indicators is mandatory for all the rural development programmes including the corresponding focus area. For each indicator target levels are established ex-ante for year 2023 and actual achievements are assessed regularly during the implementation period. It is therefore possible to aggregate at the level of the Union both their planned levels for the year 2023 and, through regular monitoring and reporting, their actual levels of achievement year by year. Therefore, these CMES Target Indicators represent an optimal way to monitor and report on the performance of the programmes.

However, the RD CMES does not prescribe the Member States to define milestones at the year 2018 in relation to target indicators, while such milestones are requested to be made available in relation to a number of output-type indicators to be included in a Performance Framework (PF). Member States are recommended to make use of common indicators for the purpose of establishing the PF, this choice is not mandatory. Therefore, the aggregation of these indicators at the level of the Union is not fully representative.

In the following tables, milestones for the year 2018 are estimated and presented only in relation to those target indicators for which, due to their specific nature, a specific correspondence could be established with respect to relevant PF indicators.

The baseline is 0 at the start of the programming period. The information concerning the latest known results reflecting 2018 implementation became available to the Commission as of the annual implementation reports submitted by 30 June 2019.

⁸ See the summary of the support study for the evaluation of the impact of the CAP on generational renewal in the agricultural sector in the EAGF programme statement.

⁹ [COM\(2019\) 581](#)

¹⁰ The 6 rural development specific objectives (priorities) are further broken down into 18 strategic Focus Areas.

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

The values reached by the reported indicators show good progress compared to 2017. Some measures still show low implementation rate, mainly because they required preparatory actions before the starting of their actual implementation on the ground, for example due to the application of public procurement procedures.

NB: Certain targets have been updated from last Programme Statement because of modifications in RD Programmes, which were made in accordance with the legislation for Rural Development. Only in the course of 2019 more than 160 programme amendments were adopted by the Commission, some of them adjusting their 2023 target values. The justification for these amendments varies programme to programme, but they are mostly triggered by changes in national or regional development needs, changing economic conditions and the varying demand for different types of support, that necessitate reallocation of funding among the investment areas concerned, affecting obviously the targets set for the programmes.

When interpreting the actual results, caution should be applied as interventions tend to have a longer programme cycle – actual achievements may not be visible from the beginning. The implementation of the 2014-2020 programming period lasts until 2023 (n+3 rule), therefore the achievement values refer to the situation at the 5th year of a 10-year long implementation cycle.

Specific Objective 1: Fostering knowledge transfer and innovation in agriculture forestry and rural areas (Priority 1)

Performance

This Specific Objective aims at transferring knowledge and fostering innovation in rural areas, with a focus on the following areas:

- Fostering innovation, cooperation, and the development of the knowledge base in rural areas (Focus Area 1A);
- Strengthening the links between agriculture, food production, and forestry and research and innovation (Focus Area 1B);
- Fostering lifelong learning and vocational trainings in the agricultural and forestry sector (Focus Area 1C).

The specific objective is cross-cutting which is why no public expenditure has been attributed to it as such.

Indicator 1, which measures the percentage of RDP expenditure planned for the three measures Knowledge transfer & information action, advisory services and cooperation, shows that by the end of 2018, 12.2% of the target planned for 2023 has been realised.

Indicator 2, which measures the number of cooperation operations, shows that by the end of 2018, 21.3% of the target planned for 2023 has been achieved.

Indicator 3, which measures the total number of participants trained, shows that by the end of 2018, 39.4% of the target planned for 2023 has been achieved.

The uptake and achievement of results is not yet fully in place. Part of this can be explained by the fact that cooperation and EIP-AGRI projects feed into this specific objective, which require a lot of preparatory work in the setting up phase, including the search for project partners. This leads to longer project lifetimes with reportable results emerging only at a later stage. Other factors explaining also the low implementation are the long administrative procedures that the Member States have put in place and which may discourage potential beneficiaries to apply, the lack of dissemination of information and publicizing of such measures, and in general, the fact that implementation of the related measures has started relatively late. Remedial actions have included the revision of the legal provisions governing the provision of advisory services to farmers and forestry holders, in 2017 (less stringent procedural requirements for the selection of advisors) and continuous dialogue with the Member States in view of correcting the limiting factors mentioned above.

Indicator 1: % of expenditure for the three measures Knowledge transfer & information action, advisory services and cooperation in relation to the total expenditure for the RDP (Focus area 1A: Fostering innovation and the knowledge base in rural areas)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00%	Actual results							3.59%
	0.00%	0.00%	0.10%	0.20%	0.44%			

Comment: 109 programmes include this Focus Area and are concerned by this quantified target. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 2: Number of cooperation operations planned under the cooperation measure (groups, networks/clusters, pilot projects) (Focus area 1B: strengthening the links between agriculture and forestry and research and innovation)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023

0	Actual results							14 029
	94	94	804	1 974	2 985			

Comment: 108 programmes include this Focus Area and are concerned by this quantified target. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 3: Total number of participants trained (Focus area 1C: fostering lifelong learning and vocational training in agriculture and forestry sectors)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0	Actual results							3 762 231
	12 333	12 333	258 186	1 057 714	1 481 528			

Comment: 99 programmes include this Focus Area and are concerned by this quantified target. For the Specific Objective 1 the indicators as set in the rural development common monitoring and evaluation system are identified and presented with targets for 2023. The common performance framework does not apply to Specific Objective 1, because no EAFRD budget is allocated to that cross cutting Priority. Therefore no information on the milestones is collected from the Member States. Nevertheless, as in case of the remaining specific objectives, the Commission will be able to collect and present the real outputs for these indicators in the future.

Source: Rural development programmes

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Number of beneficiaries supported to benefit from the use of advisory services	N/A	Target 2023: 1 159 070 ¹¹	No EAFRD financing is allocated to cross-cutting Priority 1

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Number of beneficiaries supported to benefit from the use of advisory services	F	NA	NA	NA	NA	NA	NA	NA
	P	10 700		42 439	140 946	336 525		

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests (Priority 2)

Performance

Specific Objective 2 aims at improving farm viability and competitiveness, with a focus on

- improving the economic performance, restructuring and modernisation of supported farms in particular through increasing their market participation and agricultural diversification (Focus Area 2A)
- facilitating the entry of adequately skilled farmers into the agricultural sector and in particular, generational renewal (Focus Area 2B)

For the period 2014-2020, the Member States planned EUR 32.46 billion of public expenditure for this specific objective, which corresponds to 21% of the total Rural Development planned public expenditure. By the end of 2018, 28.2% of the planned public expenditure has been realised.

Indicator 1, which measures the share of agricultural holdings received support for investments in restructuring and modernisation, shows that by the end of 2018, 42.2% of the target value planned for 2023 has been achieved.

Indicator 2, which measures the share of agricultural holdings with support to business development/investments for young farmers, shows that by the end of 2018, 59.5% of the target value planned for 2023 has been achieved.

¹¹ Target level has been updated to reflect relevant changes introduced by programmes modifications

The level of achievement of the targets is relatively good. It should be noted that for investment operations, normally implementation takes several years. In general, investment support increases the economic performance and market participation of the supported farms. Investments may also imply environmental benefits. Support to the entrance of adequately skilled farmers, including young farmers, can have positive effects on farm viability, especially in relation to farm productivity and competitiveness.

Additionally, operations under this specific objective contribute positively to the market participation of primary producers, farm diversification, maintenance of employment in rural areas, generational renewal in agriculture, environmental benefits, improvement of working and living conditions of farmers.

Indicator 1: % of agricultural holdings with RDP support for investment in restructuring (Focus area 2A: facilitating the restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00					0.62%			2.70%
	Actual results							
	0.10%	0.10%	0.30%	0.70%	1.15%			

Comment: 109 programmes include this Focus Area and are concerned by this quantified target.

Source: Rural development programmes

Indicator 2: % of agricultural holdings with RDP supported business development plan for young farmers (Focus area 2B: facilitating generational renewal in the agricultural sector)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00					0.34%			1.50%
	Actual results							
	0.06%	0.06%	0.10%	0.40%	0.87%			

Comment: 93 programmes include this Focus Area and are concerned by this quantified target. The indicative milestone (23% of the target for 2023), which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: number of agriculture holdings with RDP support for investment in restructuring or modernisation and number of agricultural holdings with RDP supported business development plan/investment for young farmers. This non mandatory indicator concerns 106 RDPs.

Source: Rural development programmes

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Agricultural holdings with RDP support for investments in restructuring or modernisation	05 04 60 01	Target 2023: 340 969	2 988
Agricultural holdings with RDP supported business development plan/investments for young farmers		Target 2023: 197 778	

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Agricultural holdings with RDP support for investments in restructuring or modernisation	F	NA	NA	NA	NA	NA	NA	NA
	P	14 900		28 500	80 903	137 684		
agricultural holdings with RDP supported business development plan/investments for young farmers	F	NA	NA	NA	NA	NA	NA	NA
	P	6 500		9 891	50 962	107 915		

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (Priority 3)

Performance

Specific Objective 3 aims at promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture, with a focus on the following areas:

- Improving the competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply-circuits, producer groups and organisations and inter-branch organisations (Focus Area 3A);
- Supporting farm risk prevention and management (Focus Area 3B).

For the period 2014 – 2020, the Member States planned EUR 16.28 billion of public expenditure for this specific objective, which corresponds to 10.4% of the total Rural Development planned public expenditure. By the end of 2018, 29.6% of the planned public expenditure has been realised.

Indicator 1, which measures the share of agricultural holdings receiving support for participating in quality schemes, local markets, short supply circuits, and producer groups/organisations, shows that by the end of 2018, 31.3% of the target value planned for 2023 has been achieved, in line with expectations.

Indicator 2, which measures the share of farms participating in risk management schemes, show that by the end of 2018, 28.3% of the target value planned for 2023 has been achieved. It is lower than expected, mainly due to the fact that this type of support is new in the Member States and needs some time to be fully managed. In order to facilitate the uptake of risk management schemes, some changes in the design of the instrument have been introduced in 2017.

Member States report various achievements, such as in terms of competitiveness of primary producers by better integration in the food supply chain and introduction of quality schemes, quality of food production, promotion of local markets and short supply, participation of farms in risk prevention and management schemes and prevention of risks from flooding.

Additionally, contributions to this specific objective come from LEADER, vocational trainings, cooperation projects (including EIP-AGRI operational groups), and farm advisory services on the increase of food quality and the creation of added value, as well as on developing the knowledge base on risk prevention in the agricultural and forestry sectors.

Indicator 1: % of agricultural holdings supported under quality schemes, local markets and short supply circuits, and producer groups (Focus area 3A: better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00	Actual results							1.80%
	0.01%	0.01%	0.20%	0.39%	0.56%			
					0.61%			

Comment: 85 programmes include this Focus Area and are concerned by this quantified target. The indicative milestone (34% of the target for 2023) is based on the application of Performance Framework proxy indicator: number of agricultural holdings supported under quality schemes, local markets/short supply circuits, and producer groups. This non mandatory indicator concerns 59 RDPs. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 2: % of agricultural holdings participating in risk management schemes (Focus area 3B: supporting farm risk management)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
0.00%	Actual results							4.90%
	0.04%	0.04%	0.50%	1.03%	1.38%			
					4.41%			

Comment: 39 programmes include this Focus Area and are concerned by this quantified target. The indicative milestone (90% of the target for 2023) is based on the application of Performance Framework proxy indicator: number of agricultural holdings participating in risk management schemes. This non mandatory indicator concerns 28 RDPs. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	05 04 60 01	Target 2023: 123 586	1 406
Agricultural holdings participating in risk management schemes		Target 2023: 688 475	

Outputs	Number of outputs foreseen (F) and produced (P)
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		2014	2015	2016	2017	2018	2019	2020
Agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	F	NA	NA	NA	NA	NA	NA	NA
	P	1 000		4 600	47 687	67 695		
Agricultural holdings participating in risk management schemes	F	NA	NA	NA	NA	NA	NA	NA
	P	3 466		58 423	188 351	582 706		

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (Priority 4)

Performance

Specific Objective 4 aims at restoring, preserving, and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas:

- restoring, preserving, and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constrains, and high nature value farming, as well as the state of European landscapes (Focus Area 4A)
- improving water management, including fertilisers and pesticide management (Focus Area 4B)
- preventing soil erosion and improving soil management (Focus Area 4C)

For the period 2014 – 2020, the Member States planned EUR 72.85 billion of public expenditure for this specific objective, which corresponds to 45.8% of the total Rural Development planned public expenditure. By the end of 2018, 51.9% of the planned public expenditure has been realised.

Indicator 1a, which measures the percentage of agricultural land under management contracts to support biodiversity and/or landscapes, shows that by the end of 2018, 94.5% of the target value planned for 2023 has been achieved.

Indicator 2a, which measures the percentage of agricultural land under 84% of agricultural land under management contracts to improve water management, shows that by the end of 2018, 84% of the target value planned for 2023 has been achieved.

Indicator 3a, which measures the percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion, shows that by the end of 2018, 85.9% of the target value planned for 2023 has been achieved.

Member States report various achievements, such as in terms of agricultural and forest land covered with management contracts to enhance biodiversity and landscape, restoring, preserving, and enhancing biodiversity (e.g. Farmland Bird Index), improvement of water quality and management, especially through a better management of fertilisers and pesticides, prevention of soil erosion and improvement of soil management, and preservation of genetic species in grasslands and livestock.

Indicator 1: Focus area 4A: Restoring and preserving biodiversity, including Natura 2000 area and high nature value farming, and the state of European landscapes

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
Percentage of agricultural land under management contracts contributing to biodiversity: 0.00%						11.91%		17.01%
	Actual results							
	5.70%	5.70%	12.90%	14.80%	16.08%			
2013	Milestones foreseen							2023
Percentage of forest area under management contracts contributing to biodiversity: 0.00%								1.96%
	Actual results							
	0.01%	0.01%	0.20%	0.30%	0.40%			

Comment: Agricultural land: Out of the 111 programmes which include this Priority, 109 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development. The indicative milestone is 70% of the target for 2023.

Forest areas: Out of the 111 programmes which include this Priority, 76 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 2: Focus area 4B: improving water management

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023

Percentage of agricultural land under management contracts improving water management: 0.0%					9.8%			14.0%
	Actual results							
	4.5%	4.5%	8.8%	10.6%	12.0%			
2013	Milestones foreseen							2023
Percentage of forest area under management contracts improving water management: 0.00%								0.90%
	Actual results							
	0.04%	0.04%	0.10%	0.10%	0.12%			

Comment: Agricultural land: Out of the 111 programmes which include this Priority, 108 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development. The indicative milestone is 70% of the target for 2023.

Forest Area: Out of the 111 programmes which include this Priority, 39 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 3: Focus area 4C: improving soil management								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
Percentage of agricultural land under management contracts preventing soil erosion and improving soil management: 0.00%					9.59%			13.70%
	Actual results							
	4.50%	4.50%	9.00%	10.50%	11.63%			
2013	Milestones foreseen							2023
Percentage of forest area under management contracts preventing soil erosion and improving soil management: 0.00%								1.30%
	Actual results							
	0.10%	0.10%	0.10%	0.10%	0.21%			

Comment: Agricultural land: Out of the 111 programmes which include this Priority, 108 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development. The indicative milestone is 70% of the target for 2023.

Forest area: Out of the 111 programmes which include this Priority, 56 are relevant for this sub-indicator. The indicative milestone, which represents an average for the three Target Indicators, is based on the application of Performance Framework proxy indicator: Agricultural land under management contracts contributing to biodiversity (ha) +

Agricultural land under management contracts improving water management (ha)+ Agricultural land under management contracts improving soil management and/preventing soil erosion (ha). This non-mandatory indicator concerns 94 RDPs. No milestones are available because there is no equivalent common Performance Framework Indicators in the RD Performance Framework.

Source: Rural development programmes

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Million hectares of agricultural land under management contracts supporting biodiversity	05 04 60 01	Target 2023: 30.5	6 613
Million hectares of agricultural land under management contracts to improve water management		Target 2023: 25.3	
Million hectares of agricultural land under management contracts to improve soil management and/or prevent soil erosion		Target 2023: 24.6	
Million hectares of forest or other wooded areas under management contracts supporting biodiversity		Target 2023: 3.6	

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Million hectares of agricultural land under management contracts supporting biodiversity	F	NA	NA	NA	NA	NA	NA	NA
	P	11.1		13.3	23.2	28.3		
Million hectares of agricultural land under management contracts to improve water management	F	NA	NA	NA	NA	NA	NA	NA
	P	8.9		10.4	18.5	20.7		
Million hectares of agricultural land under management contracts to improve soil management and/or prevent soil erosion	F	NA	NA	NA	NA	NA	NA	NA
	P	8.9		14.5	18.4	20.4		

Million hectares of forest or other wooded areas under management contracts supporting biodiversity	F	NA	NA	NA	NA	NA	NA	NA
	P	0.2		0.2	0.5	0.8		

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors (Priority 5)

Performance

Specific Objective 5 aims at promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food, and forestry sector, with a focus on the following areas:

- Increasing efficiency in water use by agriculture (FA 5A)
- Increasing efficiency in energy use in agriculture and food processing (FA 5B)
- Facilitating the supply and use of renewable sources of energy, of by-products, waste and residues and other non-food raw material, for the purposes of the bio-economy (FA 5C)
- Reducing greenhouse gas and ammonia emissions from agriculture (FA 5D)
- Fostering carbon conservation and sequestration in agriculture and forestry (FA 5E)

For the period 2014 – 2020, the Member States planned EUR 10.9 billion of public expenditure under this specific objective, which corresponds to 7.7% of the total Rural Development planned public expenditure. By the end of 2018, 27.8% of the planned public expenditure has been realised.

Indicator 1, which measures the share of irrigated land switching to more efficient irrigation systems, shows that by the end of 2018, 40.4% of the target value planned for 2023 has been achieved.

Indicator 2, which measures the total investment for energy savings and efficiency, shows that by the end of 2018, 17.6% of the target value planned for 2023 has been achieved.

Indicator 3, which measures the total investment in renewable energy production, shows that by the end of 2018, 16.9% of the target value planned for 2023 has been achieved.

Indicator 4a, which measures the percentage of livestock units (LU) concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions, shows that by the end of 2018, 60.8% of the target value planned for 2023 has been achieved.

Indicator 4b, which measures the percentage of agricultural land under management contracts targeting to the reduction of GHG and/or ammonia emissions, shows that by the end of 2018, 82.3% of the target value planned for 2023 has been achieved.

Indicator 5, which measures the share of agricultural and forest land under management contracts contributing to carbon sequestration and conservation, shows that by the end of 2018, 89.5% of the target value planned for 2023 has been achieved.

In general, indicators relating to area- or animal-based management commitments are closer to the targets than those relating to investment support, where uptake in general is, for the time being, lower than planned, due to the different nature of the respective interventions (annual payments versus investment projects that can take some time to materialise). Implementation delays have been subject to continuous dialogue with the Member States.

Indicator 1: % of irrigated land switching to more efficient irrigation systems (Focus area 5A: increasing efficiency in water use by agriculture)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00	Actual results							13.00%
	0.20%	0.20%	1.80%	2.90%	5.26%			

Comment: 50 programmes include this Focus Area are concerned by this quantified target. No milestones are available because there is no equivalent common Performance Framework Indicators in the RD Performance Framework.

Source: Rural development programmes

Indicator 2: Total investment in energy savings and efficiency (Focus area 5B: increasing efficiency in energy use in agriculture and food processing)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023

0					835 372 276			2 784 574 254
	Actual results							
	66 653 500	66 653 500	113 404 902	279 267 594	490 896 042			

Comment: 32 programmes include this Focus Area and are concerned by this quantified target. The indicative milestone (30% of the target for 2023), which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Number of investment operations in energy savings and efficiency (EUR) (5B) + Number of investment operations in renewable energy production (EUR) (5C). This non mandatory indicator concerns 66 RDPs. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 3: Total investment in renewable energy production (Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for purposes of the bio-economy)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0					720 338 147			2 401 127 157
	Actual results							
	2 173 000	2 173 000	59 103 898	255 265 515	405 632 714			

Comment: 64 programmes include this Focus Area and are concerned by this quantified target. The indicative milestone (30% of the target for 2023), which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Number of investment operations in energy savings and efficiency (EUR) (5B) + Number of investment operations in renewable energy production (EUR) (5C). This non mandatory indicator concerns 66 RDPs. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 4: Focus area 5D: Reducing nitrous oxide and methane emissions from agriculture

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
Percentage of LU concerned by investments in live-stock management in view of reducing the GHG and ammonia emissions: 0.00%	Actual results							0.70%
	0.10%	0.10%	0.10%	0.30%	0.45%			
	Milestones foreseen							
2013	Milestones foreseen							2023
Percentage of agricultural land under management contracts targeting reduction of GHG and ammonia emissions: 0.00%	Actual results							2.94%
	2.40%	2.40%	1.60%	2.00%	2.40%			
	Milestones foreseen							

Comment: Livestock: Out of the 53 programmes which include this Focus Area, 25 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Agricultural land: Out of the 53 programmes which include this Focus Area, 35 are relevant for this sub-indicator. No milestones are available because there is no equivalent common Performance Framework Indicators in the RD Performance Framework. The indicative milestone (49% of the target for 2023), which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (5D) + Irrigated land switching to more efficient irrigation system (ha) (5A). This non mandatory indicator concerns 79 RDP. Although this Performance Framework Indicator also takes into account part of the Focus Area 5A operations, this milestone is not representative for indicator 1 which has a particular implementation process compared to other operations taken into account in this indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 5: % of agricultural and forest area under management to foster carbon sequestration (Focus area 5E: Fostering carbon sequestration in agriculture and forestry)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00					0.53%			1.10%
	Actual results							
	0.30%	0.30%	0.60%	0.80%	0.96%			

Comment: 73 programmes include this Focus Area and are concerned by this quantified target. The indicative milestone (48% of the target for 2023), which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (5D) + Irrigated land switching to more efficient irrigation system (ha) (5A). This non mandatory indicator concerns 79 RDP. Although this Performance Framework Indicator also takes into account part of the Focus Area 5A operations, this milestone is not representative for indicator 1 which has a particular implementation process compared to other operations taken into account in this indicator.

Source: Rural development programmes

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Million hectares of irrigated land switching to more efficient irrigation systems	05 04 60 01	Target 2023: 1.4	1 005
Million hectares of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions		Target 2023: 5.2	
Livestock Units concerned by investments in livestock management in view of reducing GHG (Green House Gas) and/or ammonia emissions		Target 2023: 1 090 067	
Million hectares agricultural and forest land under management contracts contributing to carbon sequestration or conservation		Target 2023: 3.8	
Number of investment operations in physical assets in view of increasing efficiency in energy use in agricultural and food processing		Target 2023: 16 135	
Number of investment operations in physical assets in view of facilitating the supply and use of renewable sources of energy		Target 2023: 10 156	

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Million hectares of irrigated land switching to more efficient irrigation systems	F	NA	NA	NA	NA	NA	NA	NA
	P	0.013		0.185	0.288	0.531		
Million hectares of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	F	NA	NA	NA	NA	NA	NA	NA
	P	0.56		1.3	3.6	4.3		
Livestock Units concerned by investments in livestock management in view of reducing GHG (Green House Gas) and/or ammonia emissions	F	NA	NA	NA	NA	NA	NA	NA
	P	104 549		122 766	296 991	595 917		
Million hectares agricultural and forest land under management contracts contributing to carbon sequestration or conservation	F	NA	NA	NA	NA	NA	NA	NA
	P	1.1		1.6	2.9	3.5		
Number of investment operations in physical assets in view of increasing efficiency in energy use in agricultural and food processing	F	NA	NA	NA	NA	NA	NA	NA
	P	757		1173	2248	5 619		
Number of investment operations in physical assets in view of facilitating the supply and use of renewable sources of energy	F	NA	NA	NA	NA	NA	NA	NA
	P	39		206	240	4 344		

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

Specific Objective 6: Promoting social inclusion poverty reduction and economic development in rural areas (Priority 6)

Performance

Specific Objective 6 aims at promoting social inclusion, poverty reduction and economic development in rural areas, with a focus on the following areas:

- Facilitating diversification, creation, and development of small enterprises, as well as job creation (Focus Area 6A)
- Fostering local development in rural areas (Focus Area 6B)
- Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas (Focus Area 6C).

For the period 2014-2020, the Member States planned EUR 23.45 billion of public expenditure under this specific objective, which corresponds to 15.1% of the total Rural Development planned public expenditure. By the end of 2018, 19.1% of the planned public expenditure has been realised.

Indicator 1, which measures the number of jobs created in supported projects, shows that by the end of 2018, 14% of the target value planned for 2023 has been achieved.

Indicator 2a, which measures the percentage of rural population covered by local development strategies, shows that by the end of 2018, 113.3% of the target value planned for 2023 has been achieved.

Indicator 2b, which measures the percentage of rural population benefitting from improved services/infrastructures, shows that by the end of 2018, 84.4% of the target value planned for 2023 has been achieved.

Indicator 2c, which measures jobs created in supported LEADER projects, shows that by the end of 2018, 30.2% of the target value planned for 2023 has been achieved.

Indicator 3, which measures the percentage of rural population benefitting from new or improved services/infrastructures (ICT), shows that by the end of 2018, 17.4% of the target value planned for 2023 has been achieved.

Member States report achievements in various fields such as diversification, creation and development of small enterprises, jobs creation and maintenance in rural areas, development and access to services and local infrastructure in rural areas, participation in local development strategies, employment opportunities created via local development strategies, and broadband expansion and better use of ICT in rural areas.

Whereas the LEADER local action group coverage has been successful, the achievements in terms of job creation are still to be improved. This may be partly because of lack of reliable data. The indicator value for services/infrastructures is low partly due to the fact that many of these projects are large and may require several years to be implemented.

Indicator 1: Number of jobs created through supported projects (outside LEADER) (Focus area 6A: Facilitating diversification, creation of new small enterprises and job creation)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0	Actual results							76 433
	17	17	990	4 221	10 784			

Comment: 76 programmes include this Focus Area and are concerned by this quantified target. No milestones are available because there is no equivalent common Performance Framework Indicators in the RD Performance Framework. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 2: Focus area 6B: Fostering local development in rural areas

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
Percentage of rural population covered by local development strategies : 0.00%					52.43%			53.50%
	Actual results							
	21.20%	21.20%	53.20%	59.90%	60.60%			
2013	Milestones foreseen							2023
Percentage of rural population benefitting from new or improved services / infrastructures: 0.00%					3.94%			16.40%
	Actual results							
	0.70%	0.70%	11.60%	12.60%	13.66%			
2013	Milestones foreseen							2023
Number of jobs created through supported projects (LEADER): 0.0								44 109.0
	Actual results							
	8.0	8.0	428.8	4 157.4	13 337.0			

Comment: Local development strategies: Out of the 110 relevant adopted programmes, 108 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development. The indicative milestone is 98% of the target for 2023.

New or improved services/infrastructure: Out of the 110 relevant adopted programmes, 76 are relevant for this sub-indicator. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development. The indicative milestone is 24% of the target for 2023.

LEADER jobs: Out of the 110 relevant adopted programmes, 108 are relevant for this sub-indicator. The indicative milestone is based on the application of Performance Framework proxy indicator: Population covered by Local Action groups (LEADER). This non-mandatory indicator concerns 107 RDPs. The indicative milestone, which represents an average for both Target Indicators, is based on the application of Performance Framework proxy indicator: Number of operations supported to improve basic services and infrastructures in rural areas. This non-mandatory

indicator concerns 71 RDPs. Certain targets have been updated from last PS because of modifications in Rural Development programmes which were made in accordance with the legislation for rural development.

Source: Rural development programmes

Indicator 3: % of rural population benefiting from new or improved IT infrastructures (Focus area 6C: Enhancing accessibility to use and quality of information and communication technologies (ICT) in rural areas)

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2013	Milestones foreseen							2023
0.00					1.39%			5.78%
	Actual results							
	0.00%	0.00%	0.20%	0.20%	1.00%			

Comment: 47 programmes include this Focus Area and are concerned by this quantified target. Certain targets have been updated from last PS because of modifications in Rural Development programmes, which were made in accordance with the legislation for rural development. The indicative milestone is 24% of the target for 2023.

Source: Rural development programmes

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Number of beneficiaries (holdings) receiving start up aid/support for investment in non-agricultural activities in rural areas	05 04 60 01	Target 2023: 35 437	2 277
Million rural area inhabitants benefitting from improved services and/or infrastructures		Target 2023: 51	
Million rural area inhabitants covered by a local development strategy		Target 2023: 164	
Million rural area inhabitants benefitting from new or improved services/infrastructure (ICT)		Target 2023: 17,0	

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Number of beneficiaries (holdings) receiving start up aid/support for investment in non-agricultural activities in rural areas	F	NA	NA	NA	NA	NA	NA	NA
	P	39		861	2 236	7 948		
Million rural area inhabitants benefitting from improved services and/or infrastructures	F	NA	NA	NA	NA	NA	NA	NA
	P	2.1		29.5	36.5	50		
Million rural area inhabitants covered by a local development strategy	F	NA	NA	NA	NA	NA	NA	NA
	P	2.5		35.6	173.5	184		
Million rural area inhabitants benefitting from new or improved services/infrastructure (ICT)	F	NA	NA	NA	NA	NA	NA	NA
	P	0.001		1.2	1.4	4.2		

For the EAFRD there is no ex-ante monitoring of the outputs via setting the annual forecasts for the implementation. The targets for the operational outputs are set for 2023.

4. Contribution to Europe 2020 Strategy and mainstreaming of policies

Table Contribution to Europe 2020 headline targets

75% of the population aged 20-64 should be employed
3% of the EU's GDP should be invested in R&D
The '20/20/20' climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right)
20 million less people should be at risk of poverty

Contribution to mainstreaming of climate action

Relevant objective/output

Relevant objective/output	Budget 2019	Budget 2020
Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	8 449,0	8 460,0
Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		
Total	8 449,0	8 460,0

Programming climate action

2014-2018			2019-2020 estimates		Total
2014	2015	2016	2017	2018	

3 035,0	10 463,0	10 751,0	8 265,0	8 271,0	8 449,0	8 460,0	57 694,0
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(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

Calculation¹² is based on the value of commitments for indicative annual allocation to focus areas based on all 118 adopted rural development programmes.

The Commission's estimates of the overall climate contribution of both CAP funds are based on an EU wide agreed methodology. The method used by the Commission is sound, it has been prepared in a transparent and coordinated manner; it is based on Rio markers and it was communicated to the European Parliament and the Council. The tracking methodology for EAFRD is a reasonably reliable estimate for climate related expenditure and minimizes administrative burden. It currently represents 57.6% of EAFRD expenditure. The tracking methodology has to remain stable during the current MFF but could be fine-tuned post-2020.

In 2021, the EAFRD expenditure will continue to contribute to the EU's climate action objectives. The same methodology as outlined above will be used to track the climate-related expenditure of the EAFRD, considering also that the current CAP legislation will continue to apply in financial year 2021.

Contribution to financing biodiversity

Relevant objective/output

Relevant objective/output	Budget 2019	Budget 2020
Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	4 433,0	4 438,0
Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		
Total	4 433,0	4 438,0

Programming biodiversity

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
1 592,0	5 489,0	5 640,0	4 336,0	4 339,0	4 433,0	4 438,0	30 267,0

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

Starting from Draft Budget 2016, the methodology for the calculation of the contribution to biodiversity is the following: 100% of the annual commitments in the Priority Area 4 with exception of the amounts for the areas facing natural constraints plus 40% of the annual commitments in the focus area 5E. Calculation based on the value of commitment respectively for Budget 2018 and Draft Budget 2019 and indicative annual allocation to focus areas based on 118 rural development programmes. This calculation does not take into account the impact of the review of flexibility decisions of the Member States.

In 2021, the EAFRD expenditure will continue to contribute to biodiversity. The same methodology as outlined above will be used to track this contribution, considering also that the current CAP legislation will continue to apply in financial year 2021.

Contribution to financing air quality

2014	2015	2016	2017	2018	2019	2020	Total
60	206	212	163	163	167	167	1 138

The methodology for the calculation of the contribution to financing air quality is the following: 40% of the annual commitments in the focus area 5B (energy efficiency) plus 40% of the annual commitments in focus area 5D (reducing greenhouse gases and ammonia emissions from agriculture). Focus areas 2A (farm modernisation) can have a positive effect on clean air. However, distinguishing investments for farm modernisation having an effect on ammonia emission reduction compared to the other investments is difficult and is not expected to represent a high percentage, so no amount is retained for this focus area.

¹² In accordance with Annex II to Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds.

Gender mainstreaming

Rural development policy contributes to gender equality as the gender perspective is considered during the preparation and implementation of the RDPs. Under Priority 6 of the Rural Development Policy, the CAP supports social inclusion, poverty reduction and economic development in rural areas. Under this priority, the European Agricultural Fund for Rural Development (EAFRD) supports inter alia, the development of basic services in rural areas as well as for local initiatives; it finances the start-up of non-agricultural and agricultural activities and promotes the cooperation between local actors. This can help to address the special challenges that women sometimes face in rural areas and in the agricultural sector, such as the lack of quality basic services in some rural areas (such as childcare services, broadband, transports). Moreover, all rural development measures have the potential to contribute to gender equality to a various extent, e.g. by providing support to improve skills, facilitate business development, etc. Besides that, contribution to gender equality is specifically sought in the rural development policy through:

- the possibility to submit thematic sub-programmes for women in rural areas,
- the possibility to target rural development support to women through the application of selection criteria and,
- the obligation to respect an ex ante conditionality on gender equality.

It is not possible to know the actual budgetary contribution to gender issues because this would require an in-depth analysis of the implementation of the RDPs. With the information available in the RDPs, it would only be possible to know the budget allocated to thematic sub-programmes on women in rural areas, but so far none of the RDPs has made use of this possibility.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

Financial instruments (FI) are the key tool for providing access to finance for the farming sector and the rural economy. They also allow by leveraging with private capital and by their revolving nature to complement the rural development budget. EAFRD already met the target of doubling the use of FIs as compared to the 2007-2013 programming period. In 2019 twenty five FIs were operational (Croatia, Estonia, France, Germany, Italy, Romania, Spain). The signed funding agreements between EAFRD managing authorities and fund managers, including the EIF, totalled 28 in 2019.

By end 2019, FIs are programmed in 30 RDPs in eleven Member States with a total EAFRD allocation of EUR 519 million. The amount declared to the Commission till end of 2019 equals to EUR 125 million.

The Commission together with the EIB identified and developed the FI schemes that can be used by farmers, foresters and related rural businesses. It has also launched a specific EAFRD – EIB Initiative on Young Farmers, based also on the Omnibus proposal, combining EIB own resources and EAFRD financial instruments. Another DG AGRI – EIB Initiative focused on rural infrastructure and technical support for developing FIs in this field alongside with an Initiative for addressing price volatility in EAFRD FIs.

Under the technical assistance programme fi-compass in total 30 cases of targeted coaching on financial instruments for EAFRD managing authorities' were carried out in the period 2016-2019, of which 4 new were done in 2019. We undertook 4 EU-wide conferences with 605 participants in total. In 2019, three specific EAFRD FIs studies were published and an EU wide survey of agro-food processors was undertaken. A Study assessing the gaps in financing agriculture and agro-food sectors in 24 Member States was launched and is underway; an EU agro-food survey of financial needs was carried out in its context. The activities related to dissemination of information through conferences, specific brochures, websites and communication newsletters, etc. continued.

The Commission also tabled the new CAP proposal where FIs will continue to play an important part to foster investments in rural areas and which also introduced further legal and implementation simplifications.

Table Financial implementation of the financial instruments supported by the EAFRD (EUR million)

Country	EAFRD programmed amount	Calculated Total Public Support	Amount declared to the Commission	Execution (% spent)	Year of first disbursement to final recipients
Germany	5.0	5.8	2.1	42	2017
Estonia	35.5	39.5	35.5	100	2016
Spain	123.1	182.7	13.9	11.3	2019
France	35.9	49.7	3.95	11.0	2017
Croatia	60.0	70.6	20.5	34.2	2018
Greece	110	124.6	-	-	-
Italy	69.1	144.2	19.6	28.4	2018
Poland	31.8	50	7.5	23.6	2019

Portugal	26.9	29.0	-	-	-
Romania	87.8	94.0	21.9	25,0	2018
Slovenia	11.3	15	-	-	-
Total	596.4	805.1	125	24.1	

Note: Programmed amounts are from 23/01/2020, amounts declared are as of 15 October 2019 (Q3)