EU agriculture policy in transition: continuity is necessary, as well as clear rules, say Auditors

There are delays in agreeing the EU’s multiannual financial framework (MFF) for 2021-2027 and the post-2020 Common Agricultural Policy (CAP). This is why the European Commission has proposed transitional rules for the CAP in 2021, to carry on funding EU farmers and rural development after the expiry of the current policy in 2020 and until a new CAP comes into force. These delays will put back the potentially more ambitious EU agriculture policy by at least a year, warns the European Court of Auditors in a new opinion. This additional time should be used to address the climate and environmental challenges set out in the Green Deal, ensure robust governance of the future CAP and shore up its performance framework, say the auditors.

The Commission has proposed extending the existing legal framework and continuing financing the policy based on the amounts it has proposed for the MFF for the period after 2020. This proposed transitional regulation aims to provide certainty and continuity in the granting of support, and to smoothen the transition from the current period to the next one. The proposed transitional rules for 2021 assume that the new CAP – initially planned to start on 1 January 2021 – will be delayed by one year. The auditors analysed whether the proposed rules are legally clear and financially prudent, as well as their implications for the post-2020 CAP.

“The state-of-play of talks between the European Parliament and Council suggests that applying the new legal framework and the CAP strategic plans from 2022 could be challenging,” says Joao Figueiredo, the ECA Member responsible for the opinion. “This time gap should be used to address the issues we have raised, especially in relation to the climate and environment challenges.”

The Commission’s proposal gives Member States the possibility to extend their rural development programmes by a year until the end of 2021. The auditors stress that the Member States should continue pursuing at least the same or higher environmental and climate ambitions as until now with any “new money” used under old rules. The auditors also note increasing
attention on payments to non-genuine farmers acquiring agricultural land to receive CAP payments, and call on the Commission and policymakers to use the extra year to assess the related risks and the need to revise the criteria set out in the post-2020 CAP legislative proposals. They also point out that the ex-post assessment of the current period is put back to the end of 2026, which means the Commission would prepare its proposal for the post-2027 CAP without having fully assessed the 2014-2020 CAP performance.

Notes to editors

In 2018, the Commission proposed a new CAP for the period after 2020 – with effect from 1 January 2021 – under which payments would no longer be made for simply meeting the rules, but would also be based on performance against objectives specified in Member States’ strategic plans. In the same year, the ECA issued Opinion 7/2018 on the proposed reform, noting that it fell short of the EU’s ambitions for a greener and more robust performance-based approach.

According to the Commission’s legislative proposals for the post-2020 CAP, Member States would need to submit their strategic plans to the Commission by 1 January 2020. If the new MFF is not agreed in 2020, the current financial ceilings would apply in 2021. The transitional regulation concerns support from the European Agricultural Fund for Rural Development (EAFRD) and the European Agricultural Guarantee Fund (EAGF), and affects several aspects of the CAP, including multiannual commitments, the environmental and climate ambition, payment schedules and evaluation arrangements.

The European Court of Auditors contributes to Better Regulation in the European Union also by publishing opinions on proposals for new or revised legislation with a financial impact. These opinions are used by the legislative authorities — the European Parliament and the Council — in their legislative work.

The ECA’s Opinion 1/2020 concerning the Commission’s proposed transitional regulation relating to the CAP in 2021 and the 2019 ECA remarks in brief on the Commission’s legislative proposals for the next MFF are available on the ECA website eca.europa.eu.

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