



# The European Green Deal, CAP Strategic Plans and the Recovery

*European Commission*

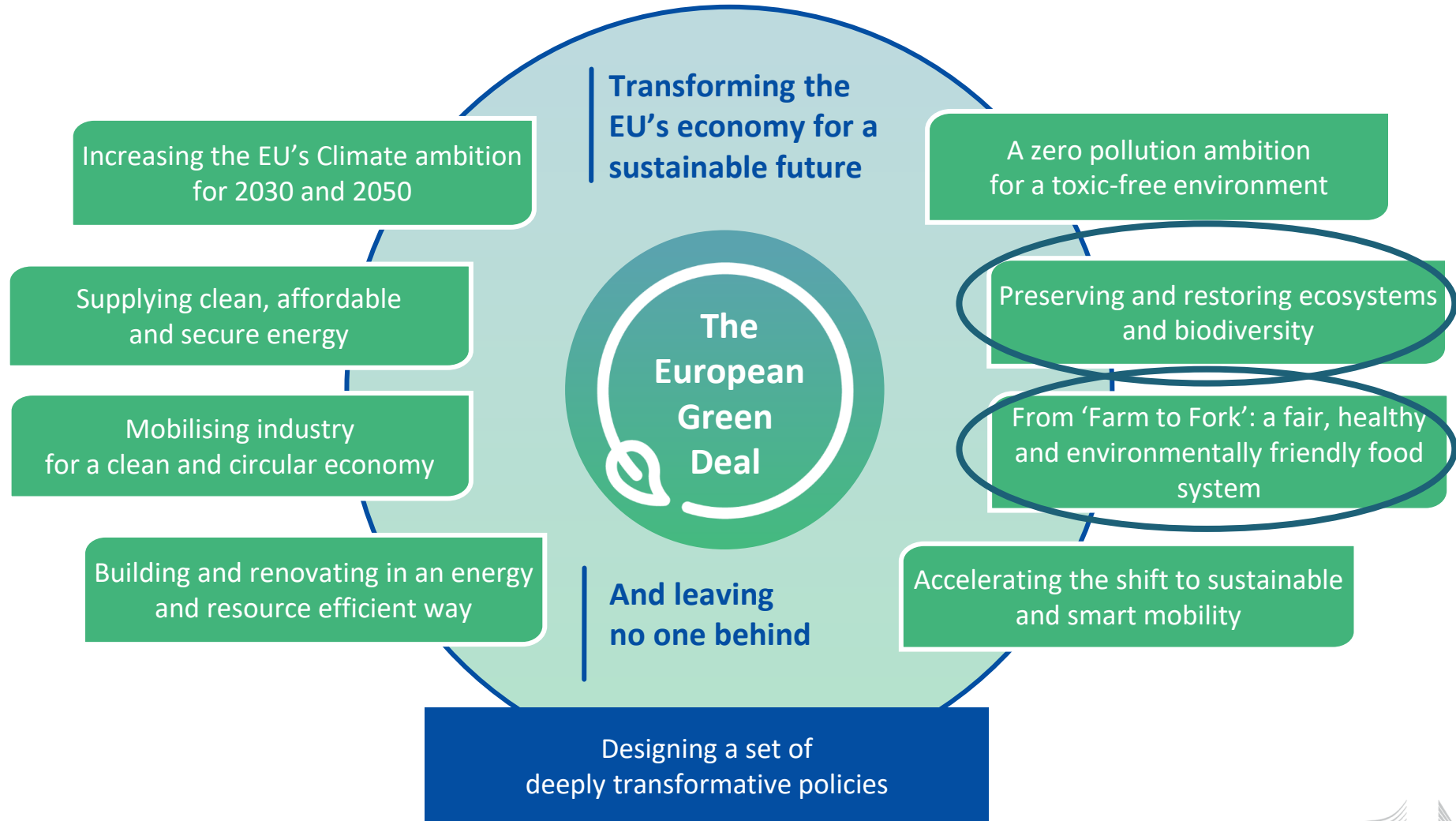
**#EUGreenDeal  
#FutureofCAP**

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**6<sup>th</sup> annual fi-compass conference on EAFRD  
financial instruments 2014-2020**

# The European Green Deal:

The new growth strategy launched December 2019



The EU as a global leader

A European Climate Pact



# MFF and Next Generation EU

- European Council conclusions: MFF + recovery package “Next Generation EU”
- Economic recovery and green and digital transition
  - Green Deal targets (Farm to Fork, Biodiversity strategy)
- New “Recovery and Resilience Facility”: Grants and loans:
  - Aims to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.
- Next Generation EU recovery funds for the EAFRD: € 7.5 billion to be included in the current RDPs in the transitional years 2021 and 2022.
- Expected focus on measures on green and digital transition – details being discussed by co-legislators.

# | The Digital transition

- Still a huge broadband gap between urban and rural areas
- "Action Plan for Rural Broadband"
- Create and use Broadband Competence Offices (BCOs), "one stop shop" with technical support on ways to invest effectively in broadband projects
- Farm to Fork: objective to ensure 100% broadband coverage in rural areas by 2025

# CAP reform: State of play

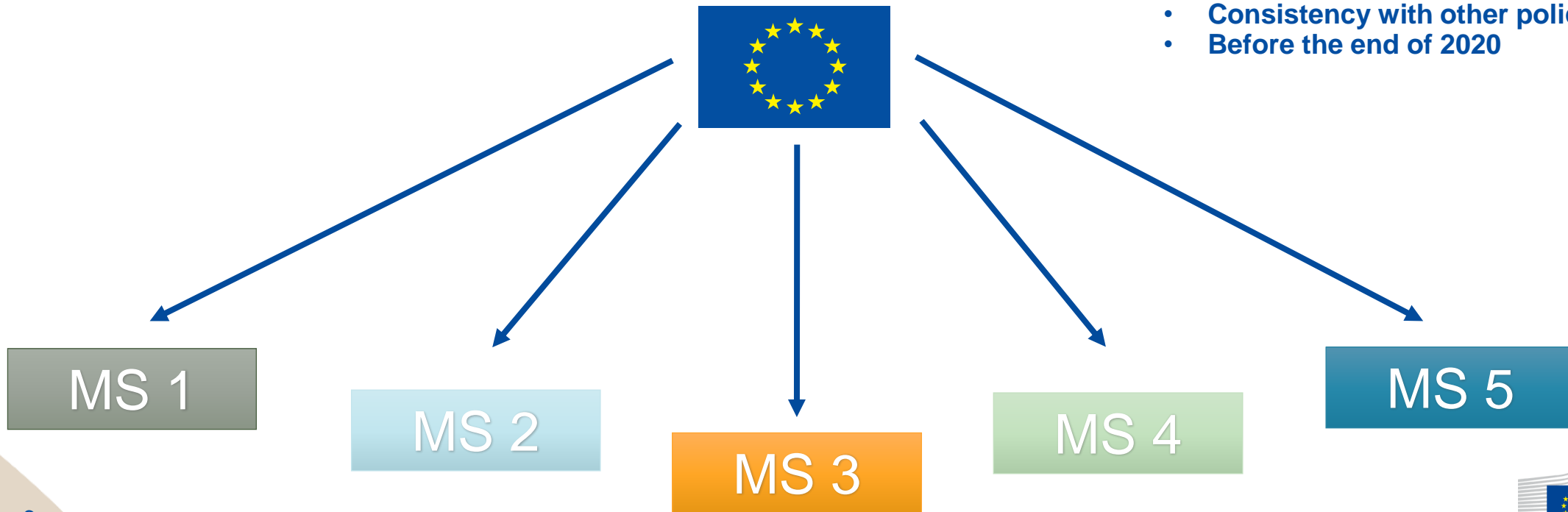
- Planned entry into force: 1<sup>st</sup> January 2023
- Position of Council (AGRIFISH) – October 2020
- Position of European Parliament – October 2020
- Now trilogues, expected to conclude in March 2021
- Adoption of regulations hoped for May/June 2021
- Implementing and delegated acts, IT development, MS planning underway in parallel
- CAP Strategic Plans submission to the Commission by 1<sup>st</sup> January 2022.

# A new structured dialogue with MS



## RECOMMENDATIONS

- Based on evidence
- Particular attention to the EGD Targets
- Consistency with other policy instruments
- Before the end of 2020



# EAFRD supported financial instruments - state of play

## Loan Funds:

- 1,932 loans
- 1,866 final recipients
- € 103,9 million EAFRD resources
- € 346,4 million total amount given out as direct loans

## Guarantee Funds:

- 2,061 committed guarantees
- 2,016 final recipients
- € 74.1 million EAFRD resources committed as guarantees
- € 229,6 million total amount of loans backed up by the guarantees

Source: EAFRD managing authorities and EIF, preliminary data as of October 2020

**Implementing MS:**  
Croatia, Estonia, France,  
Germany, Italy, Poland,  
Portugal, Romania,  
Spain

Under preparation:  
Bulgaria, Greece,  
Lithuania,  
Spanish regions

Expected loans: € 2 billion

Possible negative  
impact of Covid-19

# CAP Financial instruments post-2020

- **MS level FIs – CPR and CAP Strategic plan regulations**
  - Voluntary choice adjustable to any national or regional market situation
  - Broad flexibility, minimum eligibility restrictions, simplified ex-ante assessment
  - Working capital financing (even standalone)
  - Combination with grants (one-stop shop possibility)
  - Possibly unlimited land purchase for young farmers (MS decision)
  - Simplified reporting
- **InvestEU regulation: accessing ready-to-use products and advisory services**
  - Potential CAP Strategic plans' contributions implemented under InvestEU rules
- **Technical assistance for MS**
  - Targeted coaching, studies, analyses, good practices



# The COVID-19 crisis – Commission action

Among other actions:

- Temporary Framework for State Aids
- Financial Instruments: relaxation of procedural requirements and stand-alone working capital loans or guarantees to SMEs
- New rural development measure: Lump sum support to address the liquidity problems of farmers and agri-food SMEs – expected at least 40 of 115 RDPs

# CAP reform: Transition – state of play

- Transitional regulation: 2021 and 2022. Adoption expected end 2020
- Open issues:
  - MFF adoption
  - Inclusion of recovery funds (EUR 7.5 billion Next Generation EU)
- Amendment of implementing acts as quickly as possible after adoption.
- Submission of RDP amendments to include 2021-2022 allocations and the recovery funds (once regulations are approved)

# Transitional period and implementation of Financial Instruments across programming periods

## Transitional period:

- ✓ Current CPR applies till the end of 2025 to RDPs
- ✓ Current FIs may run till end of 2025 using current rules

## Better rules facilitating implementation across periods:

- ✓ Setting up a new FI
- ✓ Continuing the old FI with fresh resources and in compliance with the new rules, if possibility to continue has been foreseen in the original Funding Agreement in 2014-2020

A close-up photograph of a green leaf, showing a detailed network of veins. The veins are light green and form a complex, branching pattern across the darker green leaf surface. The lighting is soft, highlighting the texture of the leaf's surface.

**| Thank you !**