

Governance: the reform process of the CAP post-2020 seen from an inter-institutional angle



See the full study

This study examines the inter-institutional dynamics of the post-2020 CAP reform (Council - European Parliament - Commission) and provides an analysis of the outcome of the negotiations from a governance angle, covering three inter-related 'blocks': the 'policy toolbox', the 'resources' and the 'delivery' of the CAP.

Key areas in the CAP negotiations from an inter-institutional angle

The CAP and especially its post-2020 reform is a vast and multi-faceted subject and the study has focused on four main thematic areas of the CAP:

- **The quest for a more flexible and simplified CAP**

To emphasise the approach of a 'Common' Agricultural Policy and prevent a 'renationalisation' of the CAP, the Parliament aimed to describe and regulate many elements in the regulations in more detail and, on finance, to specify minimum ring-fenced amounts for eco-schemes, young farmers, as well as socio-economic objectives in both Pillars.

proposals on simplification, it is hardly mentioned in the programming document and subsequent reporting.

- **Towards a fairer and a more targeted CAP**

While the Council's position on capping and degressivity prevailed totally, the decision to make the redistributive payment mandatory was a success for the Parliament which has always supported the redistribution of payments towards small- and medium-sized farms. It also succeeded in significantly increasing the resources available for support for young farmers. In a significant development, the Parliament introduced the concept of social conditionality into the CAP, making compliance with applicable working and employment conditions an eligibility requirement for CAP payments.



- **The new green architecture of the CAP**

The Commission's proposal for a revised green architecture was largely supported by the Parliament and the Council. The Parliament advocated ring-fencing a minimum expenditure on eco-schemes and keeping eco-schemes and agri-environment-climate measures as two separate interventions. It succeeded in ring-fencing 35% of the rural development budget for environmental- and climate-related objectives. It was partially successful concerning the minimum budget for eco-schemes but its proposal for a common list of eco-schemes was not adopted.

The study

examines the inter-institutional dynamics of the post-2020 CAP reform (Council - European Parliament - Commission), provides an analysis of the dynamics and the outcome of the reform process seen from a governance angle and makes recommendations on the role of Parliament in future CAP reforms and mid-term reviews.

The Parliament pushed for a greater consideration of the regional dimension in to the CAP Strategic Plans. It also sought greater protection of the Union's financial interests and was able to strengthen the enforcement of controls and the Commission's reporting to the Council and Parliament. Although Parliament made various



Access this note

- **Market management in the CAP**

The initial Commission legislative proposal essentially maintained the status quo in most areas. Many of Parliament’s amendments sought to strengthen the role of market regulation, e.g. by extending public intervention and supporting supply control measures in cases of market disturbance, making the agricultural reserve more effective, and extending the role of producers’ organisations.

The Parliament increased the scope of risk management instruments. However, it did not succeed in inserting a provision that would require imported products to meet the same standards as EU producers.

Key findings and policy recommendations

In the reform process the Parliament adopted the role of guardian of EU principles and the CAP budget, favourably predisposed to policy innovation and acting as policy initiator in some instances. This contrasted with a more conservative stance of the Council, marked by fiscal ‘frugality’ and a tendency to maximise subsidiarity. A major concern, from the Parliament’s perspective, was the risk of ‘renationalisation’ and the ability of the Commission to ensure a good degree of coherence in the CAP as a European policy.

At intra-institutional level, a degree of fragmentation prevailed in all the institutions. Internal jurisdictional issues and policy differences between the AGRI and ENVI

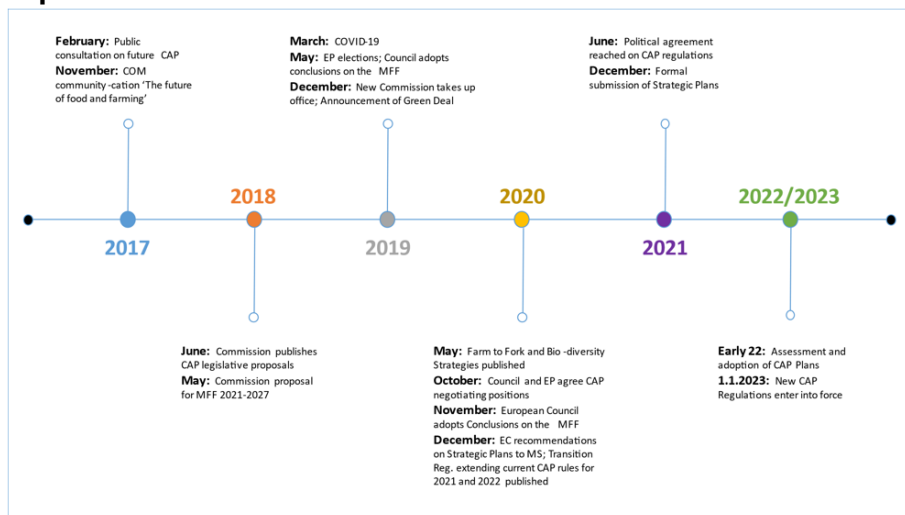
Committees were noticeable on the Parliament’s side. At inter-institutional level, the COVID-19 restrictions seriously affected the conduct of the negotiations.

In the final outcome, there were a large number of partial or minor adoptions of Parliament’s positions and amendments, as well as some major ones (e.g. social conditionality, a minimum share of direct payments budgets to be spent on eco-schemes or making the redistributive payment mandatory for Member States).

Overall, the Parliament found greater scope for contributing on the policy components of the CAP and less on delivery or resources issues. It found it impossible to change the Council’s position on several CAP issues (e.g. capping, transfers between Pillars, EAFRD contribution rates) that fall under co-decision but were covered in the European Council conclusions on the MFF.

Building on this post-2020 CAP reform process, the Parliament can now form an informed view as to the role it should be playing in future reforms and implement a range of related actions, selected according to the direction in which it wishes to move. These include notably the internal consistency of its position in the pre-legislative stage and throughout the negotiations, the streamlining of its strategic objectives and specific amendments and the reinforcement of its in-house analytical capacity.

The timeline of the post-2020 CAP reform



Disclaimer. The content of this At a glance note is the sole responsibility of its authors and any opinions expressed therein do not necessarily represent the official position of the European Parliament. © European Union, 2022.

The present note is based on the study *Governance: the reform process of the CAP post-2020 seen from an inter-institutional angle.*, authored by: [Metis]: Haris Martinos (project leader), Alan Matthews, Dimitris Skouras, Serafin Pazos-Vidal; Thünen Institute: Norbert Röder, Regina Grajewski, Christine Krämer

Publication: June 2022. © Image on page 1 used under the licence from Adobe Stock

Contact: Poldep-cohesion@ep.europa.eu; Further information: www.research4committees.blog/agri. Follow us: [@PolicyAGRI](https://twitter.com/PolicyAGRI)

This document is available at: www.europarl.europa.eu/supporting-analyses