Super Trilogue Weakens Result-Oriented CAP

The shift from compliance towards a result-oriented delivery model was highly debated in the super trilateral meeting on the 26 March 2021. Have the EU co-legislators ensured that the CAP Strategic Plans are result-oriented, while still holding the delivery model accountable for taxpayers? Here is our analysis on the main outcomes of the meeting.

Matteo Metta

This article is produced in cooperation with the Heinrich-Böll-Stiftung European Union.

Table of Content

Introduction

Among other things, the CAP reform post-2022 promised a "*shift from a compliance to result-based delivery*". While this shift might seem trivial compared to other important reforms like capping direct payments, it sets the ground for a much deeper ideological and political debate on how we want public authorities to be held accountable for the delivery and monitoring of public money.

This article firstly summarises the main outcomes reported in this working paper on the results of the super-trilogue meeting on last 26 March 2021. Having done that, it provides a critical analysis of the direction of the new delivery model.

Main outcomes of the super trilogue on 26 March 2021

In a nutshell, the super trilogue has granted more flexibility to the Member States in performance reviews regarding:

a) **frequency**: from annual to biannual performance reviews
b) **number of indicators subject to performance review**: from 38 to 22 result indicators
c) **tolerance margins of deviations from planned targets**
d) **time to adjust before encountering any suspension of payments:** every two years.

Below we explain these in more detail.

Biannual performance reviews

Instead of the annual performance reviews as put forward by the Commission in 2018, the co-legislators found agreement to carry them out **biannually,** specifically in the financial years 2024 and 2026.

An additional annual performance monitoring – still at level of results – would be carried out in financial year 2025, however, without being subject to financial consequences in case of deviations.

More flexibility in case of deviations from planned targets

To avoid any suspension of payments in case of underperformance, the tolerance margins for deviations from the planned targets was increased up to 35% for the review in 2024 and maintained at 25% for the review in 2026. This agreement grants more flexibility to the Member States compared to the standard 25% proposed by the Commission for every financial year.

In case of deviations beyond the 35% in the performance review in 2024, the Commission could request, if necessary, the Member States to take actions until the next performance review (i.e. in 2026).

Performance reviews based on a smaller subset of result indicators

Instead of conducting performance reviews over the total list of 38 result indicators proposed in Annex I to the CAP Strategic Plan Regulation, the co-legislators found convergence on the following sub-set of 22 result indicators subject to biannual performance reviews (Table 1).

Table 1: CAP Strategic Plans' result indicators subject to biannual performance reviews

General objectives	Specific objectives	Result Indicators
	Modernisation	R.1 Enhancing performance through knowledge and innovation
Economic	SO 1	R.6 Redistribution to smaller farms R.7 Enhancing support to farms in areas with specific needs
	SO 2	R.9 Farm modernisation
	SO 3	R.10 Better supply chain organisation
Environmental	SO 4	R.13 Reducing emissions in the livestock sector R.14 Carbon storage in soils and biomass R.17 Afforested land
	SO 5	R.18 Improving soils R.19 Improving air quality R.20 Protecting water quality R.21 Sustainable nutrient management R.22 Sustainable water use
	SO 6	R.25 Supporting sustainable forest management R.27 Preserving habitats and species R.29 Preserving landscape R.39 Organic farming
Social	SO 7	R.30 Generational renewal
	SO 8	R.34 Connecting rural Europe
	SO 9	R.36 Limiting antibiotic use R.37 Sustainable pesticide use R.38 Improving animal welfare

Most of these indicators are called results but they simply contextualise output indicators. They calculate the share of beneficiaries over the total population (farmers, hectares, livestock units).

Moreover, the way interventions/beneficiaries will be linked to these result indicators will be up to the Member States and therefore vary across the EU. This raises issues when it comes to comparability, sensitivity, double counting in these indicators.

When setting up annual and multiannual targets for each of these indicators, the Managing Authorities will have to strike balance between being realistic, ambitious, and reduce the risks of encountering penalties in case of deviations.

The remaining indicators left out from the total list of result indicators will be reported only for **performance monitoring** purposes, which means that they are not going to be subject to correction mechanisms.

It is up to the Member States to decide if they want to use all the list of result indicators in the performance reviews or stick to the 22 agreed ones. In any case, the co-legislators agreed to forbid Member States from using nationally developed and specific indicators in the performance reviews with the Commission. This is quite strange, as these indicators might be good complementary tools to demonstrate the performance.

A result-oriented CAP? No, not really.

The shift towards a 'result-oriented CAP' was presented and defended as a smart idea to get rid of useless information, to improve CAP's value for money by focusing on what matters – getting results and improving performance.

On the contrary, overlooking compliance would ignore real risk of the co-legislators turning the performance reviews into a mere symbolic exercise. Overlooking compliance would also underestimate the analytical importance of collecting accurate information at level of intervention, outputs and beneficiaries to assess policy and steer plans.

At the same time, the new performance framework still leaves open existing data gaps, and continues to deprive citizens, the European Court of Auditors, and researchers, from precise information at the level of spending and beneficiaries, which is so needed for more efficient monitoring and independent evaluation.

As admitted by the Commission itself[1], the new delivery model is going to have **more data collection gaps** at beneficiary level for performance clearances and reviews, for instance in relation to:

- **Sectoral programmes**. Less or no details at all might be collected on characteristics of producer organisations (such as number of PO members, legal form of the organisation) and how they spent public money under their operational programmes.

- **Farm income support.** More details would have been needed on the beneficiaries, especially in terms of *anonymised geolocation* for carrying out cross-analysis of CAP support with socio-economic and environmental context indicators (i.e. unique beneficiary ID). O.32 is going to be removed from the list of output indicators. This means no data might be collected on the number of hectares receiving income support *broken down by conditionalities*.

- **Rural development investments for environmental, animal welfare, and climate protection.** Many indicators currently requested in the rural development programmes to measure the actual amount of greenhouse gas emissions, production of renewable energy, savings in energy and water use, will not be required anymore in the future biannual performance reviews.

Not only was this shift towards a performance-oriented delivery poorly designed to carry out more accurate monitoring and evaluation, it also legitimatised the political resistance expressed by the national agri-ministers to put more efforts info collecting, reporting, and publicly sharing information on more variables on CAP interventions and beneficiaries (i.e. number of farmers in producer organisations, geolocation, compliance with conditionalities).

Final remarks

The last super trilogues has confirmed what was already expected after the positions agreed last October 2020 by the co-legislators on the new delivery model: more flexibility in performance reviews and less room for the Commission in steering and reforming the plans towards the EU Green Deal.

The ambition of the so-called result-oriented CAP should be assessed once the basic acts are agreed, looking at different angles. These include from the societal needs to know more about the CAP

[1] Points 4_210121_Data needs for monitoring and evaluation_GREXE_28 Jan 2021

effects, the opportunities offered by digitalisation to e-governance, as well as the human capacity of administrations and authorities to modernise the CAP.

In any case, before claiming that the new CAP will be more result-oriented, policy makers in Brussels and in the Member States should first try to answer the following questions:

1. Is **total number** of indicators *reduced or increased* compared to the total number existing now for CAP Pillar I and II (see technical handbook on the CMEF 2014-2020)?

2. Is the **overall quality of the indicator set** improved or worsened for accurately assessing outputs, results, and impacts of the policy?

3. Are the **requirements for performance reviews** reduced or increased, e.g. in terms of number of indicators, frequency, and rules to respect?

4. Is the overall **strategic importance** of monitoring and evaluating the CAP Strategic Plans reduced to a mere symbolic exercise, or is it more linked to policy making, e.g. feeding into a CAP midterm review or supporting amendments of the CAP Strategic Plans?

5. Is the new PMEF enabling more **independent evaluations at national and regional levels**, through easier access to computable and accurate data systems on CAP beneficiaries and performances?

Besides the final outcomes of these negotiations, experience shows that the discussions and decisions on indicators, performance reviews, financial penalties, and more will continue even after the final agreements on the CAP's basic legal acts (namely in its implementing or delegated acts).

Nevertheless, if the European Commission – as public authority responsible for the CAP – relieved both national and regional authorities of the responsibility of reporting accurate data on compliance and beneficiaries and instead now has a biannual, super flexible, performance review on just 22 result indicators, this is clearly a step backwards for the idea of public money for public goods.

As things stand, this is a step backwards from having coherent and consistent Europe-wide data in this supposedly digitalised era. And it is a step backwards in terms of modernising, increasing transparency, and increasing accountability of the CAP.