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TWINNING PROJECT EU SUPPORT TO THE PARLIAMENTS OF BiH IN EU INTEGRATION TASKS



EU TWINNING FACTSHEETS / EU POLICIES IN A NUTSHELL



EU COMMON AGRICULTURAL POLICY

► WHAT IS THE ROLE OF THE COMMON AGRICULTURAL POLICY IN THE EU?

The role of the CAP is multifunctional: along with the support for producing food and feed the CAP plays a vital part in protecting and maintaining biodiversity, environment, countryside and rural places, together with preserving tradition and rural cultural heritage while ensuring food quality, traceability, trade and promotion of EU farm products.

► WHAT ARE THE MAIN GOALS OF THE CAP?

The goals of the CAP are prescribed in Article 39 of the Treaty on the Functioning of the European Union (TFEU):

- to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, in particular, labour;
- thus, to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- to stabilise markets;
- to assure the availability of supplies;
- to ensure that supplies reach consumers at reasonable prices.

Other Treaty provisions lay down **goals, which are applicable to all EU policies and measures**. On that basis, promoting a high level of employment (Article 9), environmental protection to promote sustainable development (Article 11), consumer protection (Article 12), animal welfare requirements (Article 13), public health (Article 168(1)) and economic, social and territorial cohesion (Articles 174 to 178) are becoming objectives of the CAP in their own right. The European Green Deal and the Farm to Fork Strategy, announced by the Commission for Spring 2020, confirm the increasingly cross-cutting nature of agricultural and food issues. Furthermore, at a time of market liberalisation and globalisation, Article 207 sets out the principles of the common commercial policy applicable to trade in agricultural products. Lastly, a derogation has been granted from competition policy principles for agricultural products and trade in such products, in view of the unique structure of the farming industry (Article 42).

In the implementation of the CAP special care is given to and measures are taken based on the particular nature of the agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions, the need to effect the appropriate adjustments gradually and the fact that in the Member States agriculture constitutes a sector closely linked with the economy as a whole.

European Agriculture, food-related industries and services provide over 44 million jobs in the EU, including regular work for 20 million people within the agricultural sector itself. Thanks to its varied climate, fertile soil, the technical skills of its farmers, and the quality of its products, the EU is one of the world's leading producers and exporters of agricultural products.

The Project is implemented by the Consortium of the
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REPUBLIK ÖSTERREICH
Parlament



ORSZÁGGYŰLÉS



HRVATSKI SABOR

➤ WHAT DO WE UNDERSTAND UNDER THE TERM "CAP ACQUIS"?

The CAP is the oldest EU common policy. Since 1962, it has been reformed several times to adapt to new challenges and the changing of European and global environments.

Among the considerable number of the EU regulations for the: Common Agricultural Policy, Funding and support schemes, Agricultural products, Genetically modified organisms, Pesticides and fertilisers, Interaction with other policies - competition and trade and European statistics, the following four main regulations set out the different elements of the CAP's work:

- rules for direct payments to farmers (EU regulation 1307/2013);
- a common organisation of the markets in agricultural products (EU regulation 1308/2013);
- support for rural development (EU regulation 1305/2013);
- financing, management and monitoring of the common agricultural policy (EU regulation 1306/2013).

➤ HOW IS THE CAP FINANCED?

The EU financially supports its farmers and encourages sustainable and eco-friendly practices, while also investing in the development of rural areas. Economic and social objectives of the CAP that intend to safeguard the interests of producers, consumers, and rural communities are financed through:

- **Income support** through direct payments that ensures income stability, and remunerates farmers for environmentally friendly farming and delivering public goods that are generally not paid for by markets, such as taking care of the countryside (First Pillar);
- **Market measures** to deal with difficult market situations such as a sudden drop in demand due to a health scare, or a fall in prices as a result of a temporary oversupply on the market (First Pillar);
- **Rural development** measures with national and regional programmes to address the specific needs and challenges facing rural areas (Second Pillar).

The CAP is financed by two funds drawn from the EU budget:

- the European agricultural guarantee fund (EAGF) provides direct support and funds market measures (First Pillar);
- the European agricultural fund for rural development (EAFRD) finances rural development (Second Pillar).

Payments are managed at the national level by each European Union Member State. Information about the recipients of CAP payments is published by each country, in accordance with EU transparency rules.

➤ WHAT DOES RURAL DEVELOPMENT MEANS?

The rural development measures reinforce the market measures and income supports of the CAP with strategies and funding to strengthen the EU's agri-food and forestry sectors, environmental sustainability, and the wellbeing of rural areas in general. To address these priorities, EU countries are implementing rural development programmes (RDs) tailored to fit their own unique challenges and capabilities. These are funded by the EAFRD.

These programmes can be prepared on a national or regional basis, and must work towards at least four of the six priorities of the EAFRD. Each of these priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

EAFRD PRIORITIES:

- fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;
- promoting food chain organisation, animal welfare and risk management in agriculture;
- promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
- restoring, preserving and enhancing ecosystems related to agriculture and forestry;
- promoting social inclusion, poverty reduction and economic development in rural areas.

Countries must set targets according to specific focus areas, identifying the measures they will use and the funding they will need in order to achieve these targets. Thus, while the European Commission approves, and monitors RDPs, decisions regarding the selection of projects and the granting of payments are handled at national or regional levels.

➤ WHAT ARE THE 9 OBJECTIVES OF THE FUTURE CAP?

- to ensure a fair income to farmers;
- to increase competitiveness;
- to rebalance the power in the food chain;
- climate change action;
- environmental care;
- to preserve landscapes and biodiversity;
- to support generational renewal;
- vibrant rural areas;
- to protect food and health quality.

➤ WHAT ARE THE MAIN CHALLENGES FOR BOSNIA AND HERZEGOVINA?

On 29 May 2019, the Commission adopted its Opinion on Bosnia and Herzegovina's application for EU membership. Chapter 11 of the Analytical Report accompanying the Opinion is dealing with the Agriculture. According to that Bosnia and Herzegovina is at an **early stage of preparation** in the area of agriculture and rural development. As Bosnia and Herzegovina's agricultural policy is based on the state-level Law on Agriculture, Food and Rural Development, BiH **needs to ensure its proper implementation and acceleration of acquis alignment**. The country **needs to adopt other state-level laws in the sector, such as on wine and organic production**. When it comes to the 2018 – 2021 Strategic plan for rural development, it is essential **to implement the Strategic Plan for Regional Development effectively and to start working on the Plan for the next period**. Also, **harmonised rural development programmes need to be put in place at the different levels of governance of BiH**. Concerning horizontal issues, BiH **needs to establish the administrative structures required for the CAP** (such as Paying agency, IACS, LPIS), as well as elements for the management and control of EU funds under the CAP. BiH **will need to establish a Farm Accountancy Data Network (FADN)** in line with the acquis; and **to harmonise countrywide the laws regulating direct payments** as well as the regulatory framework for the Farm advisory systems. **Direct payments and various support measures** that are not harmonised or implemented at an even pace across the country **need to be gradually brought into line with EU rules**. The same is with market-related subsidies and additional measures at different levels of government. BiH **needs to advance in establishing a Common market organisation and provide conditions for establishing the producer's organizations**. BiH also **needs to ensure reliable countrywide agricultural statistics**. The **legal framework in the area of the quality policy**, including protected designations of origin, geographical indications and traditional specialities guaranteed **needs to be improved and harmonised** to make fully functional institutional arrangements to implement and control quality schemes and avoid overlapping of the competences between the Institute for Intellectual Property and the Food Safety Agency.

Action Plan for the implementation of priorities from the European Commission's Opinion and Analytical Report.

Directorate for European Integration of the Council of Ministers of BiH, in accordance with the findings in the Analytical Report, has drawn up a list of necessary activities, measures and documents that need to be adopted in order to meet EU expectations, as well as possible constraints in the implementation of the Action Plan.

▶ ROLE OF THE PARLIAMENTS IN ADDRESSING AGRICULTURAL QUESTIONS

The main tasks and responsibilities of the Parliaments of BiH related to Agriculture can be described as follows:

Legislative function:

- ▶ Harmonization of legal acts related to Agriculture which require parliamentary adoption or modification (these are mainly laws, while bylaws should be adopted at the level of governments).

Oversight function:

- ▶ Political monitoring of the Government over the negotiating process.
- ▶ Regular control of the fulfilment of priorities from the European Commission's Opinion and Analytical report.
- ▶ Monitoring the Governments' legislative and executive activities related to the transposition and implementation of the EU agricultural acquis.

Information function:

- ▶ Providing information concerning the harmonization of the draft laws in the area of Agriculture.
- ▶ Cooperation with the domestic Chambers and Associations that represents the interests of small, medium and big sized agricultural producers – "field information" from these bodies can contribute to the substantial discussion of the EU issues.
- ▶ Organizing seminars, public hearings and roundtables attended by agricultural experts, the academia, CSOs, etc. on the most challenging issues related to Agriculture and the transposition of EU acquis.
- ▶ Raising general awareness on Agriculture and the CAP by explaining to various groups of the society what the EU accession means in the field of Agriculture;

International and -inter-parliamentary cooperation:

- ▶ Cooperation with the EU institutions, national parliaments of EU Member States and parliaments of the Western Balkans region in order to exchange information.
- ▶ The practice of joint sessions or round tables can contribute to gain knowledge for parliamentary staff as well as for MPs.
- ▶ Informing international partners about the progress made and the challenges to be met by BiH.

Administrative staff of the Parliaments has the responsibility to provide the necessary expertise and organizational support for the Members of Parliaments so that they can make the necessary decisions and represent the interests of the citizens.



WOULD YOU LIKE TO LEARN MORE?

You will find further information on the following links:

European Union: Agriculture: https://europa.eu/european-union/topics/agriculture_en

CAP and the Treaty <https://www.europarl.europa.eu/factsheets/en/sheet/103/the-common-agricultural-policy-cap-and-the-treaty>

Key policy CAP: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy_en

Key policy objectives of the future CAP https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap/key-policy-objectives-future-cap_en

The CAP at a glance

https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/cap-glance_en#legalfoundations
EU Rural development

https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/rural-development_en

Future of CAP https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap_en

The best Project examples ENRD <https://op.europa.eu/en/publication-detail/-/publication/f9f021f7-59dd-11ea-8b81-01aa75ed71a1/language-en/format-PDF/source-search>

Summaries of the EU Agriculture legislation – Agriculture

https://eur-lex.europa.eu/summary/chapter/agriculture.html?root_default=SUM_1_CODED%3D03

Analytical Report of the European Commission:

<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-bosnia-and-herzegovina-analytical-report.pdf>

Action Plan for the implementation of priorities from EC Opinion and Analytical Report:

<http://www.dei.gov.ba/dei/dokumenti/prosirenje/default.aspx?id=22458&langTag=bs-BA>