



# COMMUNITIES FOR FUTURE

**Meet & Greet MEP Irena Joveva - Tuesday 26<sup>th</sup> of January 2021, 10:00AM-11:30AM**

## **Participant's Briefing**

### [EU Recovery Plan](#)

In December 17<sup>th</sup> 2020, the new EU long-term budget (2021-27) was approved by the EU member states in the Council Coupled with NextGenerationEU, the temporary instrument designed to boost post-Covid-19 recovery, will be the largest stimulus package ever financed through the EU budget. A total of €1.8 trillion will help build a greener, more resilient and more digital Europe after the pandemic. These include the new cohesion instrument ReactEU and the strengthened Just Transition Fund and the Regional Development Fund.

More than 50% of the amount will support modernisation, for example through:

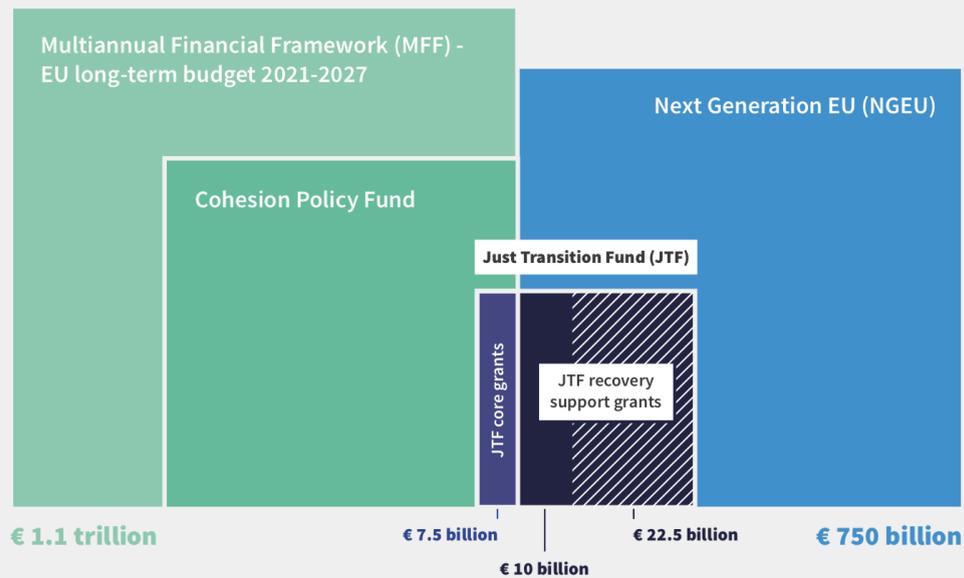
- research and innovation, via Horizon Europe;
- fair climate and digital transitions, via the Just Transition Fund and the Digital Europe Programme;
- preparedness, recovery and resilience, via the Recovery and Resilience Facility, rescEU and a new health programme, EU4Health.

In addition, the package pays attention to:

- modernising traditional policies such as cohesion and the common agricultural policy, to maximise their contribution to the Union's priorities;
- fighting climate change, with 30% of the EU funds, the highest share ever of the European budget;
- biodiversity protection and gender equality.

The new long-term budget will increase flexibility mechanisms to guarantee it has the capacity to address unforeseen needs. It is a budget fit not only for today's realities but also for tomorrow's uncertainties.

NextGenerationEU is a €750 billion temporary recovery instrument to help repair the immediate economic and social damage brought about by the coronavirus pandemic.



In July 2020, the Heads of the 27 EU Member States agreed to shift substantial amounts of funds in Next Generation EU, from grants to loans. As the Just Transition Fund aims to provide support primarily in grants, this shift in the overall budget has implications on the amount of the Fund. The 40 billion Euro fund, as proposed by the Commission in May, risks a substantial cut - down to 17.5 billion Euros.

The centrepiece of NextGenerationEU is the Recovery and Resilience Facility, with €672.5 billion in loans and grants available to support reforms and investments undertaken by EU countries. The aim is to mitigate the economic and social impact of the Covid-19 pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

NextGenerationEU also includes €47.5 billion for REACT-EU. It is a new initiative that continues and extends the crisis response and crisis repair measures delivered through the Coronavirus Response Investment Initiative and the Coronavirus Response Investment Initiative Plus. It will contribute to a green, digital and resilient recovery of the economy. The funds of this initiative will be made available to:

- the European Regional Development Fund (ERDF)
- the European Social Fund (ESF)
- the European Fund for Aid to the Most Deprived (FEAD)

These additional funds will be provided in 2021-2022 from NextGenerationEU and in 2020 through a targeted revision to the current financial framework.

NextGenerationEU will also bring additional money to other European programmes or funds such as Horizon2020, InvestEU, rural development or the Just Transition Fund (JTF).

Slovenia is eligible for EUR 5.1 billion under the EU recovery plan, of which EUR 2.579 billion in grants from various instruments.

## [CAP Reform](#)

The Common Agriculture Policy has been criticized widely for its devastating effects on the environment and its fostering of social injustices and poverty both within and beyond the EU. It is currently being re-negotiated and many civil society actors and scientists are calling

on the EU Commission to withdraw its proposal, as they fear that the legislative proposals are going to make things even worse. Amongst the main concerns are that Europe will fail at reaching its environmental and climate targets and big corporations are going to become even more powerful at the expense of small-scale farmers and the rural areas. The following paragraphs give an overview about the CAP, its current reform process, as well as its relevance for European Community-led initiatives on climate change and sustainability.

### **What is the CAP?**

The Common Agriculture Policy (CAP) of the European Union was established in 1962. It was originally introduced to increase agricultural productivity, ensure a fair standard of living for farmers, stabilize markets, and ensure availability of supplies and reasonable prices for consumers through a variety of regulations and subsidies for farmers and rural development. Several reforms have taken place since its establishment with the most recent reform impacting its latest funding period during the EU Multiannual Financial Framework from 2014-2020. During this period, the total amount of money that was spent on the CAP was approximately EUR 400 billion, which accounts for 38 % of the EU budget in those years.

The CAP is financed through the European Agriculture Guarantee Fund (EAGF), which finances Pillar 1 and the European Agricultural Fund for Rural Development (EAFRD), which co-finances Pillar 2, alongside regional or national funds.

Pillar 1 finances direct payments for farmers, and accounts for 71% of the CAP budget, and Market Measures (CMO) which account for 4% of the CAP.

The European Union's rural development policy was introduced as the second pillar of the CAP. The EU's priorities on rural development are aimed at supporting economic development of rural areas while focusing especially on the support of the agriculture food and forestry sectors, realized through measures such as advisory services for farms, start-up aids, transfer of knowledge and physical investment, through subsidies for organic farming, as well as measures to enhance social inclusion and reduce poverty in rural areas, which include basic services and the revitalization of villages through broadband, cultural activities and tourist facilities. The Rural Development Regulations also includes a bottom-up local development approach pursued by local stakeholders, which typifies the LEADER approach. Within the 2014-2020 multiannual financial framework of the CAP, approximately EUR 100 billion (24% of the CAP budget) was earmarked for rural development, whereas at least 30% had to be spent on for environmental and climate measures and at least 5% for LEADER.

### **What is the CAP Reform?**

In 2017, the European Commission initiated a public consultation process, which resulted in the report "The Future of Food and Farming". This report, served as the basis for the Commission's legislative proposals for the post-2020 CAP, published in June 2018. Prior to this and linked to the Brexit the Commission's Multiannual Financial Framework proposed a cut of 15% for expenses directed towards agriculture and a cut of 28% directed towards rural development.

The proposal envisages a new delivery model allowing for more flexibility for the Member States, suggests better targeting of direct measures through measuring the impact of the policies and expenses, and suggests higher ambitions for environmental and climate actions. Those are reflected in three of its nine key objectives, which are intended to foster social, ecological and economic sustainability, as well as in its new Green Architecture. Main

concerns that are voiced regarding the proposed cuts are the increased subsidiarity and consequent flexibility, and the mandatory capping of funds for individual beneficiaries at EUR 100,000 per farm. In January 2020, the European Commission published its new work program, linking the CAP reform proposals to the European Green Deal, which includes a first-time comprehensive approach to governing food and agriculture - the [farm-to-fork strategy](#) and a [biodiversity strategy](#), both targeted at preserving and restoring planetary health. The negotiations around the proposals brought forward by the EU Commission are still ongoing, with trilogue negotiations having begun in November 2020; a final decision is expected in April or May 2021.

Trilogues are the last stage in the EU law making process, where the Commission, the Council, and the European Parliament come together to agree on the final version of a law. The Commission can veto the proposal by withdrawing it if it finds that the changes made do not respond or go against the initial purpose of the proposal. .

Nevertheless, some NGOs are calling for a [withdrawal](#) of the CAP. Amongst the signatories of a [letter](#) to the EU Commission to withdraw the CAP are Arc2020, Friends of the Earth Europe, Slow Food Europe, Greenpeace and the WWF. The critique brought forward against the CAP proposal revolves around issues of social justice, ecological sustainability, inclusivity and transparency. It is seen as a violation of the policies in place that are demanding higher ambitions in climate action and sustainable development, namely the Paris Agreement, the Agenda 2030 and the European Green Deal. As the social and environmental viability of the CAP following the current proposal of the EU Commission would depend much on the Member States.

Find more information about the CAP here:

<https://www.arc2020.eu/arc2020-new-report-on-cap-strategic-plans/>

<https://www.europarl.europa.eu/factsheets/en/section/196/the-common-agricultural-policy-cap->

### **Why does this matter to Community-led Initiatives?**

[Community-led initiatives \(CLIs\) across Europe](#) are showcasing sustainable solutions within the food and agriculture sector, which are often at the core of their work. The Transition Movement encourages citizens to increase food resilience in their villages and neighborhoods, by setting up community-supported agriculture initiatives and permaculture projects, which can also be combined in practice. Many ecovillages provide themselves with ecological and local products from their own gardens. All of these practices significantly reduce the ecological footprint of people that are involved in CLIs. The EU funded TESS Research project has measured the environmental impact of CLIs within four domains: transport, food, waste and energy. Taken together, actions in those four domains account for a reduction of nearly 60% of the beneficiaries' carbon footprint.

Similarly, based on the studies of the IPCC, the [Agriculture at Crossroads](#) report points out that 40% of all emissions depend on the way we eat and manage agriculture. A wide-scale transformation of the food system is thus essential for survival. ECOLISE, CLIs, agriculturists and citizens need to understand the barriers and potentials to this transformation, which obviously depend to a large extent on Europe's Common Agriculture Policy.

With regard to the rural development support offered through the CAP, the following can be said: Thousands of grassroots initiatives have emerged across the EU in recent years,

developing bottom-up solutions to the ecological and climate emergency. These communities are playing a critical role in driving local transition processes, transforming local economies and also helping to bring about a shift in norms and behavior. Main support from the EU towards these CLIs comes through the LEADER/Community-led local development approach, which is partially funded through the CAP. It is thus also crucial for CLIs to [understand the barriers](#) that need to be overcome within this funding scheme, in order to make CLLD more accessible to grassroots initiatives.

### [The Council of the European Union](#)

The Council of the European Union (EU), also known as the Council, represents the government ministers from each EU Member State who meet once a month to discuss, amend and adopt EU laws, and coordinate policies. Together with the European Parliament, the Council is the main decision-making body of the EU.

The Council of the EU should not be confused with:

- *The European Council*, consisting of quarterly summits, where EU leaders (heads of states) meet to set the broad direction of EU policy and priorities
- [The Council of Europe](#) which is not an EU body at all.

### [Slovenian Presidency of the Council of the European Union](#)

During the second semester of 2021, Slovenia will hold the rotating presidency of the Council of the European Union (EU). The priorities of the Slovenian presidency will be booting the EU's resilience through measures aimed at containing the Covid-19 pandemic, mitigating its consequences on citizens and promoting the economic recovery of the Union, as well as promoting security and the rule of law. These priorities were set up in tandem with those of the preceding German and Portuguese presidencies of the Council of the EU. Measures are envisaged to foster sustainable and inclusive growth, taking into account the green transition and digital transformation. One of the tasks will also be to improve Europe's resilience to crises and to devise contingency plans in cases of emergencies such as pandemics, global cyberattacks and migration pressure. Upon assuming office, the Presidency will present their programme to the European Parliament.

### [Conference of the Future of Europe](#)

At its meeting held on 12 December 2019 (followed by a press release 22 January 2020), the European Council discussed and set forth its ideas for a Conference on the Future of Europe to start in 2020 and end in 2022 with the aim of looking at the medium to long term future of the EU and at which reforms should be made to its policies and institutions. It is intended that the Conference should involve citizens, including a significant role for young people, civil society, and European institutions as equal partners, and allow for an open, inclusive, transparent and structured debate with citizens of diverse backgrounds and from all walks of life. A multilingual, digital platform other digital engagement efforts (the latter especially in view of Covid-19-mandated social distancing) are proposed to ensure the accessibility and transparency of the proceedings of the Conference at all times, and to allow all citizens to follow the work of the Conference all across Europe, and facilitate their active participation. The results of the debates and all the documentation prepared for these events are to be posted on the online platform. The Conference yet to be launched will run for two years. It will be jointly organised by the European Parliament, the EU Council and the European Commission.

The Commission proposes two parallel work strands for the debates. The first should focus on EU priorities and what the Union should seek to achieve: including on the fight against climate change and environmental challenges, an economy that works for people, social fairness and equality, Europe's digital transformation, promoting our European values, strengthening the EU's voice in the world, as well as shoring up the Union's democratic foundations. The second strand should focus on addressing topics specifically related to democratic processes and institutional matters: notably the lead candidate system and transnational lists for elections to the European Parliament.

The mandate for the Conference should take the form of a Joint Declaration by the Council, the EP and the Commission, reflecting shared views on content and process. The outcome of the Conference should be reflected in a report to the European Council in 2022 and lead to concrete initiatives such as actions plan; policies reviews or even policies proposal.