



# The CAP post-2020 and the Climate Challenge

AgirClimate Workshop  
Ministry of Environment and Food of Denmark  
Copenhagen, 26 October 2017

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**#FutureofCAP**





# ***Summarising the CAP debate***

## ***Achievements of the CAP reform path***

- ***Bridging the gap between world and EU farm prices, thus increasing competitiveness***
- ***Turning the EU from a major trade player for both exports and imports into a net agro-food exporter***
- ***Providing relative income stability within a very volatile income and price environment***

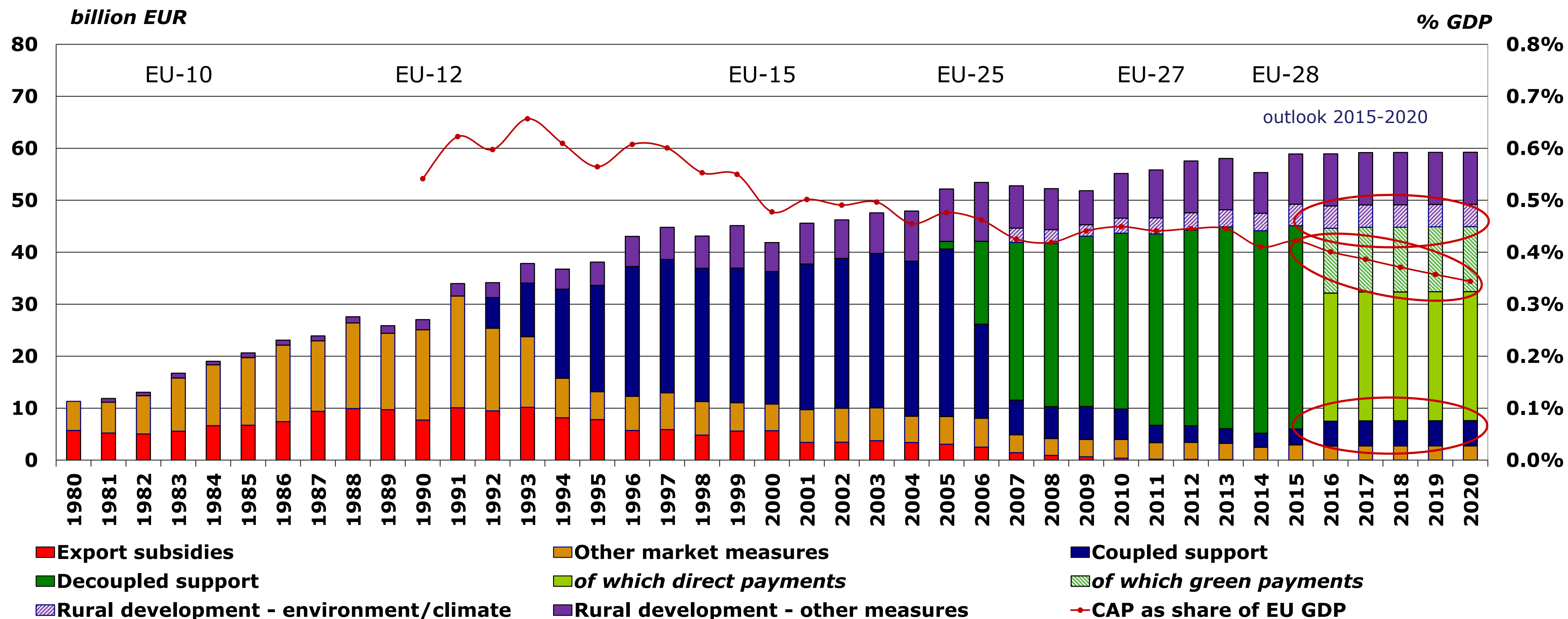
## ***Shortcomings of the CAP reform path***

- ***Despite progress, the environmental performance of EU agriculture requires further improvement***
- ***Productivity growth is mainly driven by the outflow of labour, and less by research or innovation***
- ***Questions on equity, safety net and simplicity of the CAP are still hotly debated***

## ***Drivers and future challenges***

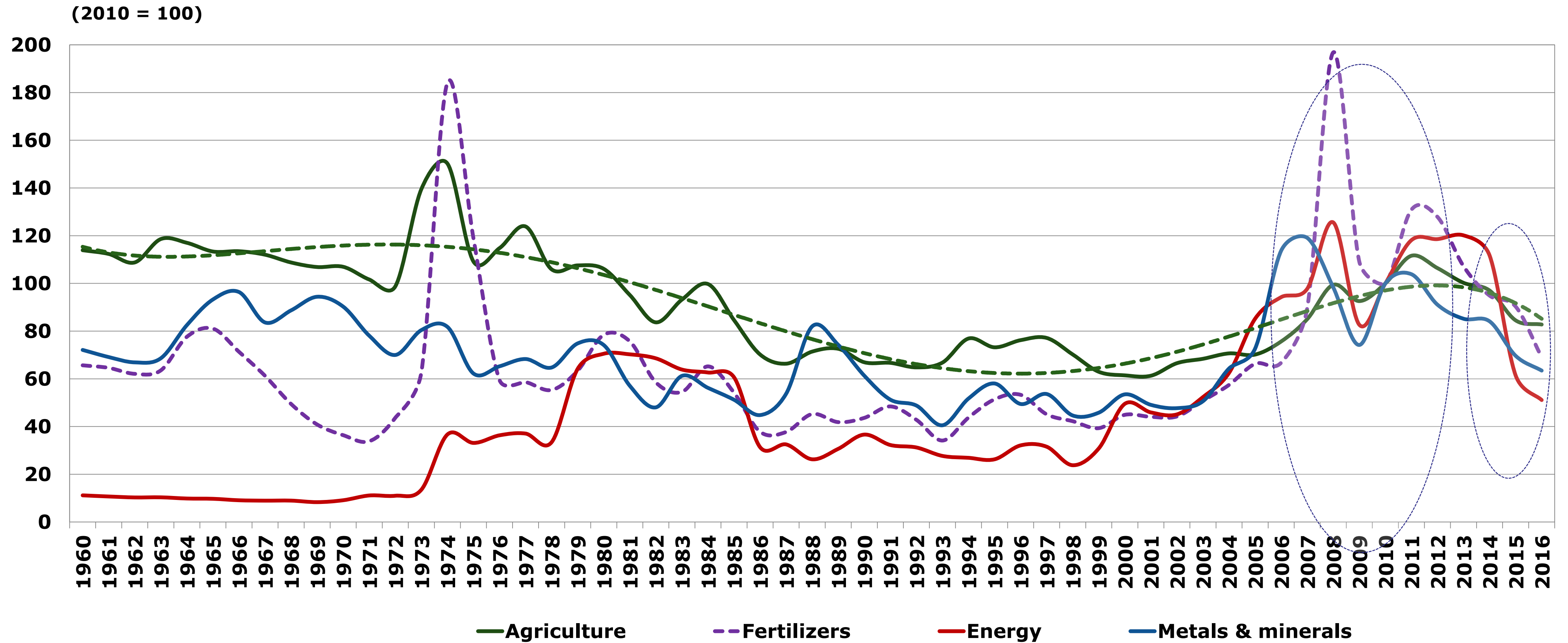
- ***The changing commodity, economic and price environment***
- ***The changing trade environment – especially the shift from multilateral to regional agreements***
- ***New climate change, environmental and broader sustainability priorities***

# Main issues for the future CAP debate: public money for private and/or public goods?



Source: DG AGRI.

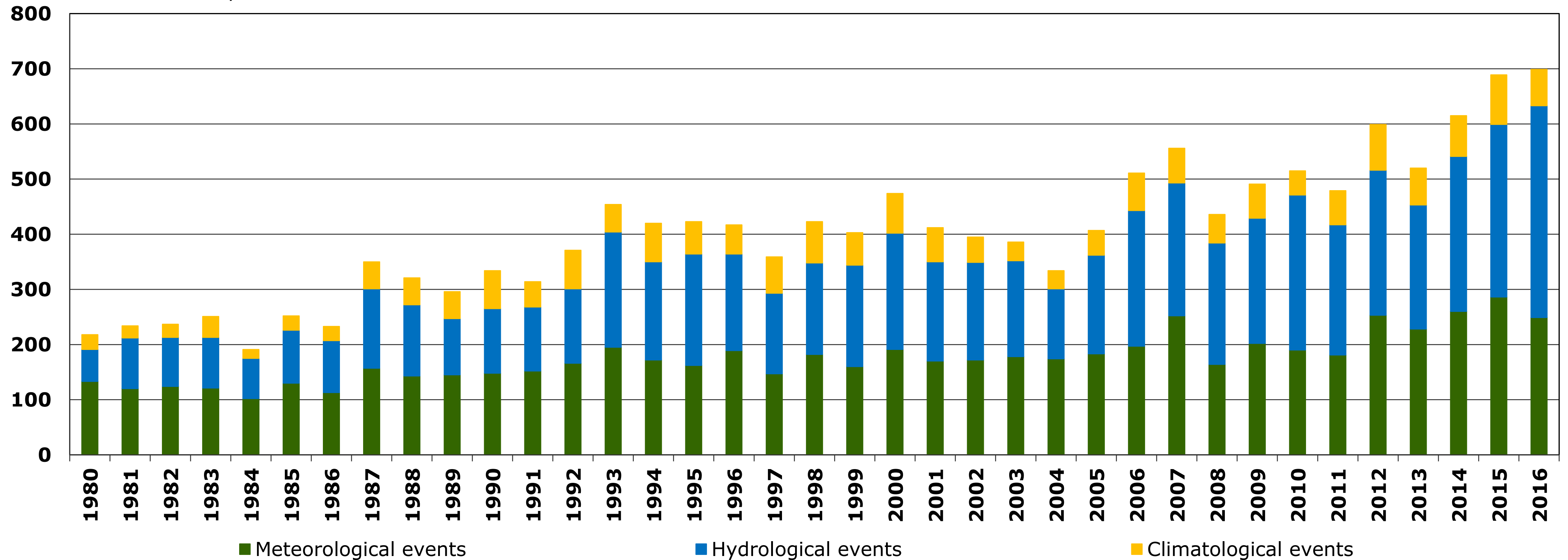
# Commodity price changes in recent years



Source: World Bank.

# Climate linked loss events in dramatic increase

Natural catastrophes worldwide - number of events



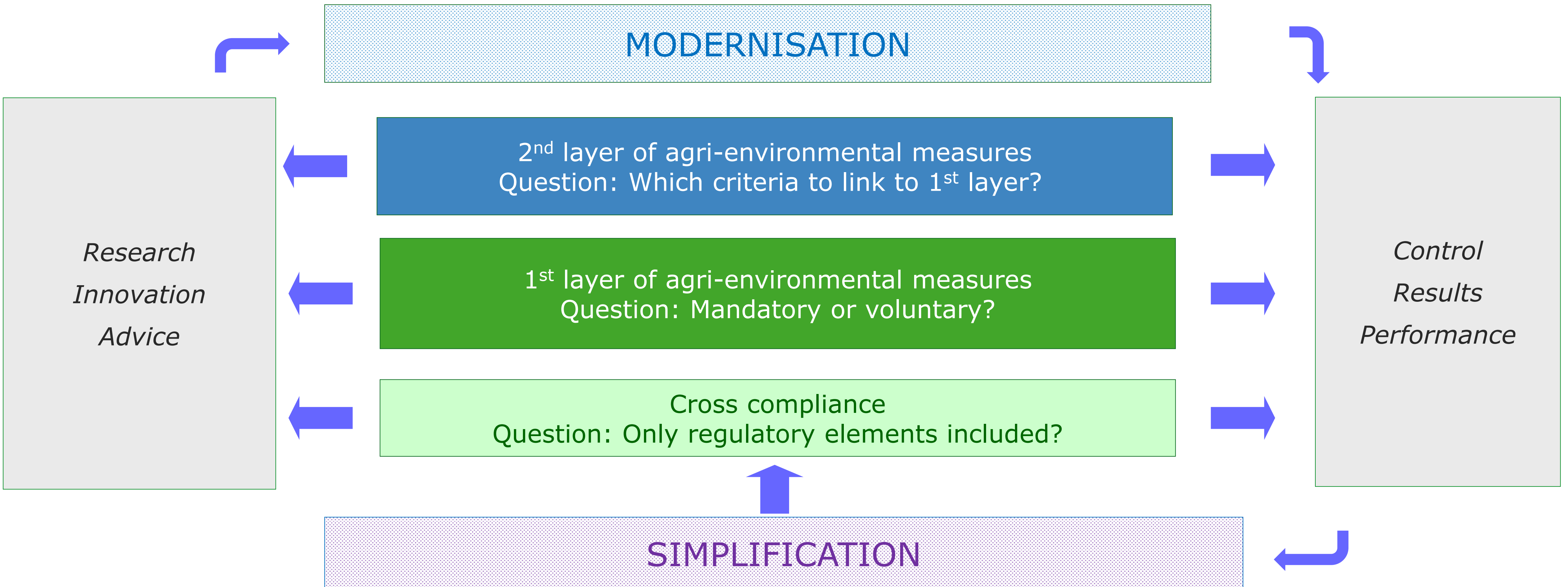
Meteorological events: Tropical storm, extra-tropical storm, convective storm, local storm

Hydrological events: Flood, mass movement

Climatological events: Extreme temperature, drought, forest fire

Source: © 2017 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatSERVICE (January 2017)

# "Greening" questions and challenges





# Turning tensions into synergies

## **Tensions that the future CAP has to address**

- **The economy versus the environment – and the impact of cost pressure on environmental ambitions**
- **Subsidiarity versus simplification – especially with respect to EU value added priorities**
- **Jobs versus growth – the difficult, but also promising impact of new technologies on agriculture**

## **Synergies that the future CAP has to develop**

- **Find the right balance of support between private and public goods – both face market failures**
- **Redefine the balance between EU, MS and farm responsibilities to simplify and avoid policy failures**
- **Address jobs and growth challenges in rural areas and in the food chain – to enhance resilience**

## **Main questions that the future CAP has to reassess and address**

- **Better targeting requires a clear choice of the main target – is it the farm or its land?**
- **Shift towards performance requires a fundamental rethinking of control logic (what, why, how)**
- **Technologies (especially of EU-lead) provide major opportunities, but meet resistance in their use**

# ***Is climate change the catalyst for policy change?***

## ***EU leads in problem identification....***

- ***Climate change is not a disputed, but a widely recognised challenge in the EU***
- ***Diverse EU climatic conditions facilitate the search for multiple solutions and diversified strategies***
- ***Both mitigation and adaptation are at the core of the EU policy debate***

## ***...EU leads in search for solutions...***

- ***In all EU-related policy domains, climate change is a driver for best practices***
- ***Taking the lead in its recognition allows for the internationalisation of the challenge***
- ***The free provision of climate-relevant information by EU satellite technologies is widely recognised***

## ***...but mind the gaps....***

- ***The knowledge gap – it is easier to identify the universal problem than its non-universal solutions***
- ***The technology gap – between those that have fast moved into innovation and those lagging behind***
- ***The perception gap – science and its role is being tested when its applications are most in need***



# ***Reports and data available at:***

[https://ec.europa.eu/agriculture/index\\_en.htm](https://ec.europa.eu/agriculture/index_en.htm)

[https://ec.europa.eu/agriculture/policy-perspectives/index\\_en.htm](https://ec.europa.eu/agriculture/policy-perspectives/index_en.htm)

[https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index\\_en.htm](https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index_en.htm)

[https://ec.europa.eu/agriculture/markets-and-prices/index\\_en.htm](https://ec.europa.eu/agriculture/markets-and-prices/index_en.htm)

[https://ec.europa.eu/agriculture/events/2016-outlook-conference\\_en](https://ec.europa.eu/agriculture/events/2016-outlook-conference_en)

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[https://ec.europa.eu/agriculture/consultations/cap-modernising/2017\\_en](https://ec.europa.eu/agriculture/consultations/cap-modernising/2017_en)

***Thank you for your attention!***