Tools for targets setting and financial allocation in the CAP strategic plans

OBJECTIVES AND CHALLENGES

As by Reg. 2115/2021 (Art. 112), Member States should decide on the financial allocations for the different interventions and objectives and on the targets to be achieved. On the one hand, it is challenging to properly calibrate the allocations to different interventions, and to set targets that are at the same time ambitious and realistically achievable (as this has direct implications on Member States' accountability). On the other hand, there is usually **high pressure** from stakeholders and civil society at this stage. A crucial challenge for this task is not only to support complex technical decisions with scentific evidence, but also to **ensure the consistency between needs, interventions, targets and budget**.

MAIN TOOLS ADOPTED: STRENGTHS AND WEAKENESSES

Support Simulation Tool (BE-W)

The Support Simulation Tool acts as an aid and income simulator, designed to **evaluate the effects of financial assistance** based on the technical and economic features of farms, considering factors such as farm size and area. It evaluates direct payment support across different farm types, comparing it with 2019 data for each farm type. The tool's functioning is further enhanced by incorporating FADN data to project the effects on income. The tool provides numerical forecasts detailing the **support level according to different criteria** such as technic economic orientation, economic size, region, and farm size. It also offers aggregate projections that combine different types of farms.

It is based on FADN datasets which are available in all EU. It captures the diversity across farms, and it is easy to interpret.

This tool is tailored to the Wallonia context, and might need adaptations to other contexts. It requires input and supervision by experts, whereas the outcome is limited to farm income, without considering environmental and socila implications.

I/O/I Matrix (NL)

The tool is a primarily qualitative tool (indicating direction of impacts, sometimes with some rough quantification on impacts and budget costs) that represents on the on the one hand a **detailed list of objectives** and on the other hand a **detailed set on instruments** (covering all the relevant articles of the CAP Directive). The matrix-cells show the impact of instruments on the objectives. As such it can **support policy makers in the choice of an effective policy mix**. It has been used to carry out an analysis of possible policy options for achieving the goals set in the CSP (making use of 4 scenario's), and the integral impact of those options as regards the economic, ecological and social objectives set and their interrelations.

It allows rapid computation and it is flexible in its specifiфcation, and a large set of policy options can be studied.

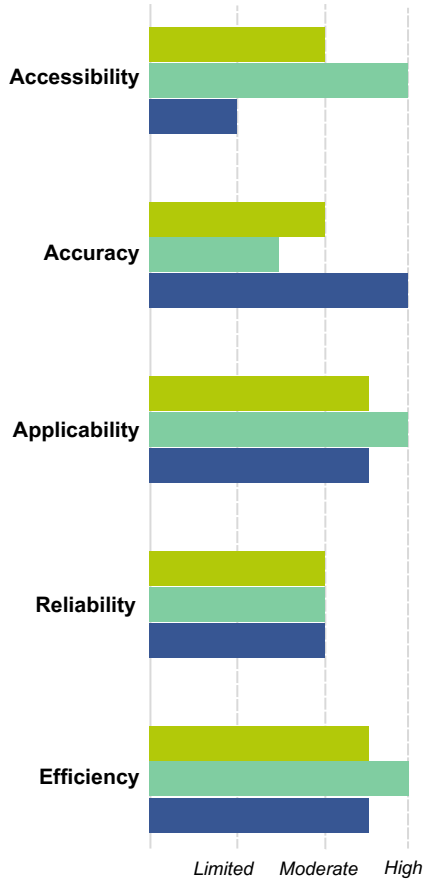
It is based on strong assumptions intended to guide policy choices and implying a simplification of reality, and is restricted to the production side of the economy.

SitFarm (Slovenian) Modelling Tool (SI)

The tool enables the **assessment of different policy scenarios** on economic and environmental performance of farms in national context, and is used for monitoring, financial planning, and agricultural outlooks. It provides nuanced **analyses across various agricultural levels**, from individual holdings to subsectors and agriculture as such, with impact assessments of direct payments, eco-schemes and area with natural constraints measures. It consists of a static farm model, with different modules taking the form of MS Excel spreadsheets. It includes models of typical agricultural holdings, model (product budget) calculations, and a farm (programming) model.

It is adaptable for use at different spatial scales, from sub-national levels with additional data to higher spatial/governance scales. The approach is easily replicable in other contexts, and it is easy to interpret.

It does not yet support modeling for agri-environmental-climate payments, investment support, and other interventions. It requires ad-hoc survey-based data sources which are not available in all Member States.



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