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Multi-level governance at the breaking point: are Member States prepared for the new CAP integration?

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Our AEIDL Expert on Rural and Territorial Development, Raquel Pastor Carretero, together with Blanca Casares Guillén, provides evidence of how governance challenges could affect the CAP's preparation for the new National and Rural Partnership Plans post-2027.

Common Agricultural Policy: from market support to multi-level governance system

The Common Agricultural Policy (CAP), along with Cohesion Policy, stands as one of the most deeply integrated core policies of the European Union, established in 1962 to create a system of price and market support. Characterised by a strong agricultural and economic focus, the CAP was designed to establish a secure supply chain, harmonise competition rules across Member States, and increase agricultural productivity.

Successive programming periods have transformed the CAP into a multi-level governance system, encompassing objectives that go beyond the agricultural sector itself. The common policy has become increasingly relevant in areas such as ensuring food security and sovereignty for the European Union, promoting cohesion in rural areas, and fostering environmental sustainability. In these terms, conceiving the CAP as a mere mechanism for granting subsidies ignores its strategic importance in terms of its governance architecture.

The institutional response to complexity

The CAP governance model has evolved in recent decades. It has moved from a hierarchical and centralised structure to a system with more involved stakeholders, with shared management of funds through the incorporation of the second CAP Pillar, and greater autonomy granted to Member States. Since the 2007-2013 period, CAP planning has required ex-ante assessments, the identification of needs (through SWOT), and the alignment of thematic priorities with the strategic objectives of the European Union. This shift included a strategic approach requiring a multi-level governance, and co-decision models.

Figure 1. Key milestones in the evolution of the Common Agricultural Policy (CAP)

Milestone	Governance shift	Key points
1962. Birth of the CAP	Centralised, rigid, and hierarchical. Top-down decisions focused on price regulation.	Creation of an economic system based on guaranteed prices and market intervention. Pillars: single market, Community preference, and financial solidarity.
1970. Mansholt Plan: modernisation	First move towards structural governance. Delegation of modernisation planning responsibility to Member States (MS).	Aimed to optimise and merge farms to create larger, more efficient units.
1984. Supply management	Centralised production control through the imposition of quotas.	Introduction of a quota system (dairy) to manage overproduction and reduce budgetary expenditure.
1992. MacSharry Reform	Shift from price support to income support. Beginning of financial authority transfer to MS.	First major reform. Reduced guaranteed prices and introduced compensatory direct payments (income support).

1999. Second Pillar is incorporated	Start of multi-level governance and shared management through the co-financing of Rural Development (EAFRD).	Formal establishment of the Second Pillar (Rural Development) to foster competitiveness and territorial cohesion.
2003. Fischler Reform (Mid – term review)	Institutionalisation of Cross-Compliance to focus governance on non-productive public goods.	Full decoupling of aid from production (Single Farm Payment - SFP/SAPS). Linked payments to environmental and welfare standards.
2009. Health check	Final abolition of centralised market controls. Strengthening of the decentralised Rural Development structure.	Final abolition of quotas (dairy set for 2015). Increased Modulation (transfer of funds from Pillar I to Pillar II).
2013. Reform via ordinary legislative procedure	Democratisation of legislation: The European Parliament became a co-legislator (Treaty of Lisbon).	Introduced "Greening" (green payment) and objectives for fairer aid distribution and support for young farmers.
2023. Results oriented approach	Decentralisation via Strategic Plans (CAP SPs). Shift in governance from compliance (rules) to performance (results).	Greater autonomy for MS to design strategies (CAP SPs) aligned with common objectives. Emphasis on eco-schemes and ecological goals.
2025. Shift to integrated financial governance (NRPP)	Administrative fusion and enhanced subsidiarity through a single regulatory framework at the MS level (Proposed NRPP).	The CAP is envisioned as an integrated component within a broader financial framework for MS.

Source: Timeline: history of CAP. Council of the EU. Own elaboration

In the latest programming period, 2023-2027, the CAP has undergone a profound change, with a focus on results and the achievement of the established objectives. Unlike ohter periods, where many details were defined beforehand, in 2023-2027 each Member State had to devleop its Strategic Plan (SP) through a comprehensive analysis of the situation of agriculture, the agri-food sector, and rural areas, defining a SWOT analysis, and, as a result, an intervention strategy in which to prioritise the previously identified needs. All of this incorporated this assessment into Pillar 1 (farm support), ensuring that the contribution to the specific objectives of the CAP was viewed from a comprehensive, coherent, and logical perspective.

This evolution of the policy has contributed to an overlap of objectives, regulations, and operating procedures. The result has been the transformation of the CAP into a complex and fragmented administrative framework where this **complexity has manifested itself not only in the bureaucratic burden for the beneficiary, but also in the management and implementation of the policy by national governing bodies**.

Therefore, throughout this latest cycle's political and strategic decisions the Commission has committed simplifying CAP in the next period. The proposal presented in July 2025 for the next Multiannual Financial Framework (MFF) for the period 2028-2034 includes a single model for funds, integrating the CAP into a National and Regional Partnership Plan (NRPP), promising a radical simplification for beneficiaries by greatly reducing the bureaucracy to which they were previously subjected. This new model, characterised by broadened subsidiarity and the merger of funds, creates significant tensions and new challenges, **delegating full responsibility to Member States** to manage all EU funds they will be allocated (Cohesion, Agriculture, Environment, Migration, etc.) under a single administrative umbrella applying the same rules for data reporting, indicator use and performance tracking.

The debate now focuses **on whether Member States are prepared to create the consolidated horizontal and vertical governance structures required by this single model**. This fundamental transition carries a high risk of renationalisation, which would not only weaken the common nature of the CAP but also jeopardise progress on climate and environmental ambition. **However, as the results of the ongoing process**—including the ex-post evaluation of the CAP Strategic Plans—**will be presented after the proposed NRPPs are already being drafted, this transition will occur without established previous learning mechanisms and spaces from the current period**.

The multi-level governance dilemma: national capacity and structural risks

The political effort for simplification culminates in the proposal to integrate both the CAP and other policies into the proposed NRPP, where the CAP ceases to be a single fund, and management will depend on the capacity existing in Member States for good communication and coordination between different ministerial and administrative areas.

After the experience of drafting the Strategic Plans for the period 2023-2027, the critical question arises: **are the Member States truly equipped with the necessary administrative structures for this integration model?** This is a complex question that varies significantly across the 27 states but what is certain is that for many,

a profound administrative reengineering will be needed. This is not new, and it was evidenced during the 2023-2027 programming period, which required the adaptation of different administrative levels for the development of the Strategic Plans—and that was just for the two pillars of the CAP.

For the forthcoming programming period and the new proposal encompassing 2028-2034, the discussion transcends the mere integration of the CAP's two pillars within the national strategic plans, but rather, the proposals necessitate at a minimum the fundamental linkage of inter-ministerial departments such as Agriculture and Finance. These requirements should exist even before considering the complex policy national priorities and the puzzle that may emerge from different portfolios like Social Affairs, Defence or Migration. At this point, this new model challenges existing mechanisms to develop horizontal cooperation, cohesion, and joint-decision making, areas traditionally weak within ministerial culture, yet essential for this new approach.

This drive toward merging funds may signal that **CAP Strategic Plans 2023-2027 have served as a pilot project for the broader new Single Fund model proposed under the MFF 2028-2034**. In all Member states including federal ones (except Belgium) the present CAP Strategic Plans are a single structure at national level rather a collection of regional plans. However, it is probably too early to fully ascertain whether the impacts are achieving their intended intentions or to extract the critical lessons that could offer further insights and allow for course correction. What is clear is that this paradigm shift, which is based on a results-oriented approach, necessitates two major long-term changes: first, a revision in how departments collaborate, and second, a fundamental shift in administrative culture, where evaluation analysis, coordination, and accountability are actively and consistently reinforced.

At this particular stage of the proposal's discussion, **the central risk would be if this governance model will affect the capacity of managing authorities (many of them regional, rather than national) to handle the NRPPs**, becoming overburdened and paralysed, potentially struggling to manage the budgets and objectives of completely disparate Ministries. In the previous period, the Commission already exercised a key facilitating role in knowledge transfer, making materials available and developing guidelines that served as a reference for the design of interventions and eco-schemes, helping Member States build upon a common foundation.

For this upcoming 2028–2034 period, there is a strong call for capacity building —including policy officers and agricultural policy planners at national, regional and local administrative levels— to ensure informed decision-making, where Commission can provide support through resources and materials generated by the different Member States. The Annual Implementation and Performance Reports and other documents developed at European level, such as guidelines and different policy tools, will allow for the design of future NRPPs based on the latest updates and results provided by the current CAP Strategic Plans.

The governance shift in the next programming period for CAP simplification

As previously noted, the evolution of the Agricultural Policy itself has led to the merger of different dimensions and objectives, a fact that may have contributed to a perception of disconnection between the practical reality of the sector and the legislative measures adopted, **becoming not only a technical issue but also a major political challenge**. This was evidenced by the widespread protest by farmers across the European Union in late 2023 and early 2024, when a discontent that had remained latent was revealed. The administrative burdens, intertwined with other factors such as a perceived lack of transparency, a sense of loss of national sovereignty, and a strong perception that the sector's interests are not being adequately represented, fuels a broader crisis of confidence that directly affects the European institutions.

In direct response to this, the European Commission has stepped up its policy agenda to address this crisis and put in place **measures aimed at administrative simplification**. In 2024, only one year after the approval of the Strategic Plans, proposals of modifications linked to simplification and flexibility were presented, in aspects such as reinforced cross-compliance, eco-schemes and rural development interventions. The second package of measures published in May 2025, including proposals that allow Member States to use new instruments in their CAP strategic plans, such as easier payments for small farmers, simplified environmental requirements and controls, strengthened crisis management, simpler procedures for national administrations or enhanced competitiveness and digitalisation, build on similar measures already introduced by the Commission in 2024. This second package represents a key deliverable from the vision for EU agriculture and food presented in February 2025, aiming to reduce administrative complexity and **make support tools more attractive, to strengthen the competitiveness of European farmers**.

For instance, the proposed simplification of cross-compliance, managed **under the new farm stewardship, as a legal instrument that formalises the commitment to simplification and subsidiarity** by replacing one large, detailed checklist with a mandate for each Member State to create its own set of standards guided by broad, common EU goals. Despite these good intentions, this new approach is not without its complexities and has become a key point of debate among different stakeholders, primarily environmental organisations.

While the Commission MFF proposal encourages a more flexible and trust-based relationship between farmers and authorities, this new model is characterised by the lack of verification of conditions and the elimination of the ring-fenced funding for green initiatives. **This fact could jeopardize the environmental progress achieved in previous programming periods**.

Without strict, mandatory requirements and a guaranteed budget, Member States could be tempted to reduce funding for eco-schemes (i.e. rewards for farmers for adopting environmentally and climate-friendly practices), which could lead to a race to the bottom on environmental standards across the EU. Other significant changes have also been proposed, such as reducing the number of interventions, as many have been merged (such as eco-schemes and agri-environment climate commitments), and introducing lump sums.

As greater responsibility will be delegated to Member States and trust relationships with producers must be strengthened, it is also important to emphasise the role of local communities to ensure these transitions are just, right from the design and implementation of the measures. The role of the Commission and the regional and national authorities should be endowed with sufficient resources and qualified personnel to address the trade-offs, including the potential impacts, costs, and benefits in the debate, and not only in economic terms. This is crucial so that the community is well-informed and considered, thereby guaranteeing **a just transition that leaves no one behind**.

Simplification and environmental ambition: can a balance be secured?

The answer to this question is complex and highly nuanced. As stated, the new governance model represents an inherent tension between the desire for simplification, the competitiveness of the sector, and the necessity of safeguarding the European Union's environmental objectives.

The strategy must balance all priorities and strategic objectives, but its success will primarily rely on **fundamental transformation of the control and audit system**. By shifting the control focus from verifying inputs to verifying strategic outputs and outcomes, the proposal can begin to eliminate administrative micro-management. In terms of simplification, the debates include a greater risk of renationalisation, where greater autonomy could undermine the common nature and principles of financial solidarity of the CAP. This translates into a potentially highly fragmented regulatory landscape, which could lead to unfair competition between Member States, or even more, the unintended consequence of the "gold-platting effect": i.e. adding national rules above those requested by the EU.

In terms of environmental protection, the new model based on trust and a lower mandatory reserve of funds for environmental issues, raises alarm about the weakening of compliance with green objectives. Limited mandatory requirements and a less guaranteed environmental budget can provide greater discretion to the MS. These emerging proposals, analysed by various organisations and expert voices, suggesting a potential prioritisation of competitiveness and administrative ease over long-term sustainability. However, the response to this risk should lie in the strategic audit, designing a system to safeguard environmental ambition by integrating climate targets and indicators into the MS's performance framework and making compliance with the results, including maintenance of the 35% minimum for environmental commitments as the central point of accountability.

Moving beyond the labyrinth: key takeaways for next simplification

To overcome the challenges of complex policy implementation, new ideas designed to simplify the CAP must be integrated into the design of future policies, avoiding reactive exercises in response to crises. Given that the regulatory framework is trending toward greater renationalisation, these proposals must be structurally sound from the outset, realising that true simplification lies not just in rewriting rules at the EU level but reinforcing a robust, integrated governance within the Member States. **Simplification must be viewed as an outcome of fundamental governance reform**, not just a regulatory decree, requiring a shift in institutional culture supported by strategic technical investments.

The call for simpler rules is also supported by external bodies. In June 2025, the European Court of Auditors (ECA) identified an opportunity to decrease the complexity of management and control systems for EU funds, arguing that it could lead to more efficient spending while reducing the risk of irregularities. The ECA also highlighted the need to clearly define supervision and control responsibilities between the Commission and Member States to ensure proper accountability, transparency and compliance with the national rules.

Redefining the multi-level governance system

The evolution of the CAP has proven that a centralised, top-down governance model is often at odds with the diverse agricultural, environmental, and socio-economic realities across the Union. The new integrated approach for 2028-2034, while simplifying funds, will need to recognise that governance remains inherently multi-level, and the challenge is no longer whether to delegate authority, but how to govern the shared responsibility effectively.

The new proposals will require the Commission to evolve from a mere performance supervisor to a strategic facilitator of coordination, actively promoting mechanisms for vertical dialogue and coordination between the

EU, national and regional authorities; and, horizontal, integrating across disparate national sectors such as agriculture, finance, cohesion or defence, especially in the design phase of the National and Regional Partnership Plans.

A culture of continuous dialogue, transparency and evaluation

Simplification in the CAP should not be a one-off event, but rather a continuous and dynamic process through a structured and permanent dialogue among different stakeholders: farmers, advisors, administrations, national and regional authorities and other parties involved in CAP design and implementation. First steps were taken through the "Strategic Dialogue on the Future of the Agriculture", launched in 2024, to which AEIDL and its BEATLES project contributed, culminating with the presentation of the Vision for EU Agriculture and Food, in February 2025.

Multilevel Governance needs to be a participatory and active process, ensuring mechanisms for monitoring and evaluating the administrative burden faced by farmers and administrations. Workshops carried out by the EU CAP Network are crucial to help the European Commission (namely DG AGRI), and national administrations identify bottlenecks faced by beneficiaries and authorities during CAP planning, submission, implementation, control, and audit processes.

The new NRPP 2028-2034 requires new, solid governance structures with a shift in institutional culture, where evaluation and feedback processes are continuously integrated and given a binding character in policy design. This should involve not only managing authorities but also civil servants, ensuring a broad commitment to learning and improvement, facilitating well-informed decision to the broad community and leaving no one behind. This process will ensure transparency and impact assessment to legitimise the decision making and learn from lessons drawn from other programming periods. Projects like Tools4CAP aim to strengthen the capacity of administrations to monitor the impact of Strategic Plans, facilitating data-driven simplification, providing evidence to decide what and how to simplify without compromising European strategic objectives, while adapting to national and local realities.

Disclaimer

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