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MINUTES CDG

Meeting of the Civil Dialog Group on the CAP Strategic Plans and Horizontal Matters

Monday 13 March 2023

Chair: Catherine Geslain-Laneelle, Director, DG Agriculture and Rural development

1. Following organisations were represented:

AEEU; AREFLH; AREPO; BEELIFE; BIRDLIFE EUROPE; CEETTAR; CEJA; CELCAA; CEPF; CEPM; COGECA; COPA EAPF; ECVC; EEB; EFA; EFNCP; EFOR; ELARD; ELO; EMB; EPHA; ERCA; EUCOFEL; EUFRAS; EURAF; EUROMALT; EUROMONTANA; FEFAC; FESASS; FOE; FOODDRINKEUROPE; FRESHFEL EUROPE; IFOAM; IPIFF; PFP; RURAL TOUR; WWF.

2. Approval of the agenda and of the minutes of previous meeting

3. Nature of the meeting

The meeting was held online. Each member organisation received a link for active participation of no more than 6 participants, who are associated to or members of the member organisation for the Civil Dialogue Group (CDG). In addition, a link for passive attendance was provided to member organisations to allow for their members to follow the meeting. Materials concerning the proposed Rules of Procedures were sent in advance.

4. List of points discussed

4.1. Welcome and adoption of the agenda

The chair welcomed members and introduced the scope and aims of the newly established CDG on CAP and horizontal matters. She emphasised the fact that the Commission services will rely on the active participation of members for contribution and exchanges during the CDG meetings.

After the presentation of the agenda, some members of the CDG requested that all relevant topics for the CAP are discussed in this forum, including relevant legislation such as the planned legislation on seeds (in the remit of DG SANTE). One member regretted that the

state of derogations from GAEC 7 and 8 and the use of the crisis reserve, were not included in the agenda.

The Chair assured that the newly established horizontal CDG is planned to cover all relevant topics and especially their interdependence in relation to the CAP while other CDGs cover specialised issues within their remit. It was clarified that the use crisis reserve had been dealt with within the CDG on markets in the previous week. The information on the derogations on GAECs for the implementation of the CAP Plans will be provided in the CDG on environmental issues which will hold a meeting in the following week. Commission services also reiterated that for forthcoming meetings, members are encouraged to contact the secretariat to propose topics for the agenda.

4.2. Presentation of members and observers

In view of the first meeting in the new composition of the CDG, members were invited to present the interests/stakeholders they represent and highlight their expectations of membership of the CDG.

Each of the participating members presented the interests and the groups they represent together with specific input and expertise they are willing to provide to the group. Members' expectations and aims included: to promote open dialogue between different interests and groups, to increase the visibility of certain sectors and groups, to understand different needs of territories and actors in the agri-food chain, to provide information to the Commission services, to ensure all three dimensions of sustainability are considered in the exchanges, to consider horizontal aspects of CAP and other policies, to follow developments but also to participate in the exchange, to discuss further the indicators through which the policy is monitored, to exchange good practices.

4.3. Rules of Procedures (RoP) of the CDG on the CAP Strategic Plans and Horizontal Matters - Presentation and adoption, DG AGRI. AI - Policy perspectives

4.4. Calendar and ways of working, Presentation and exchange, DG AGRI. AI - Policy perspectives

The points below were taken together. Commission services presented the proposed rules of procedures, based on the Commission Decision regarding the functioning of the CDGs which outline the main tasks of the CDG and the main rules for participating. The Commission services also presented proposed ways of working to ensure effective functioning of the group, committing to presenting well in advance themes for the meetings and the possibility to engage with members.

EEB, EPHA, ELARD AND BIRDLIFE shared a view that the membership in the group is not balanced with more participants representing economic interest than those, representing non-economic interests, which would influence any possible voting on opinions or reports in the group in the event there is no consensus. They also expressed concern on the possibility for a large number of active participants for each organisation which in their view contributes to a non-balanced participation for organisations who have less staff members and requested that the large number of active participants per member is reduced.

The Commission services presented the general assessment and conclusions of the study. While food availability is not at stake in Europe today, food affordability is a growing concern for an increasing number of low-income households. Availability, access (affordability), utilisation, and stability cannot be taken for granted in the short or the long term. If not addressed, those can become risks for food security and destabilise Europe's food system. To guarantee a stable production capacity, pressures on production costs and producers' income in a context of a declining farming population need to be taken into account. Production is also facing increasing pressure on natural resources, like water scarcity, environmental pollution, decreasing soil fertility, air pollution, biodiversity loss and pollinators decline. Climate change and extreme weather events have a large impact and make it necessary to cut emissions and scale up nature-based approaches. Environmental resources need to be preserved in order to maintain the basis of production in the long term. The current energy crisis confirms the need to accelerate the phasing out of fossil fuel-based fertilisers. While synthetic pesticides contribute to stabilising yields in the short-term, their use and risks need to be progressively and smartly reduced to avoid detrimental effects on the utilisation and stability dimension of food security in the mid- to long-term, while preventing further environmental degradation. As regards food access and affordability, special attention needs to be paid to low income households that are not able to access diverse, healthy, and nutritious food due to the expected persistence of high levels of food prices and high energy prices in a context of low economic growth or even recession in some countries in the short-term.

Long-term food security requires consistent policy interventions reinforcing sustainability and resilience of the food system. Scaling up the share of best practices, disseminating the most advanced techniques and technologies as well as actively involving all actors across the value chain are essential elements. The concentration of power in certain upstream and downstream segments of the food value chains has reduced their efficiency and fairness with primary producers and consumers bearing the costs. A well-functioning food system integrates environmental and health externalities.

Commission services also stressed that the international dimension of food security plays a role. The EU does not only export high value-added food products but also staple food, such as wheat, to import-dependent third countries. Effective multilateralism, support diversification, market transparency, and the avoidance of trade-restrictive policy measures needs to be ensured. The EU can lead by example through partnerships across the world using the internal market and global trade relations.

A consistent and comprehensive implementation of the European Green Deal, including the Farm to Fork, Biodiversity and other relevant strategies, should help the EU secure a sustainable, inclusive and resilient food system within a realistic timeline and with necessary support instruments.

The Commission services concluded that the costs of inaction outweigh the costs related to the transition. Bold decisive action is needed at all levels and the transition to a sustainable and resilient food system should continue to guide the EU's political and policy agenda. The European Green Deal, including the Farm to Fork, Biodiversity and other relevant strategies, should help the EU secure a sustainable, inclusive and resilient food system within a realistic timeline and with necessary support instruments. The CAP and CFP will remain instrumental to support the EU's farming and fishery communities, including in the transition towards a more sustainable farming and fishery model.

Members of the CDG called for consistency at a broader level between the CAP and European trade policy. Without such consistency, European producers will not be able to compete with growers outside the EU who don't have to respect the same environmental and other production standards. The Commission services replied they are aware of this but underlined the EU is not only importing, but also exporting and needs to honour the rules of multi- and bilateral trade agreements in place. Within the scope of the multilateral trade policy rules, the Commission is seeks to contribute to higher level of sustainability of the food system globally.

CDG participants enquired how the Commission ensures that elements brought forward in the study are implemented as policy, like agroecological practices and the transition from input-intensive to more knowledge-intensive farming, more regional food production, the role of new genomic techniques (NGTs), sustainability labelling or the effects of increasing animal welfare standards on food security. The Commission services replied that this report is a collection of evidence, it does not constitute a change of the policy. Policy has been defined among others by Farm to Fork, Green Deal and CAP. Yet, this is a piece of evidence which will be taken into account in future policy development. Furthermore, the Farm to Fork strategy action plan includes proposals addressing many of these elements in the year ahead, including a proposal on the procedures applicable to the authorisation of NGTs and other technological changes. The proposal on animal welfare will assess the impacts of higher animal welfare standards on food security. The framework law for food systems will propose an advancement of the food system to more sustainability in a synergetic way. This will also include public procurement and labelling.

Other CDG members recalled the role of pollinators and auxiliary insects to the food system and the need for consistent policy that reinforces its sustainability and resilience; that the number of farms decreased by 38% of which 87% were farms of less than 5ha., i.e. 4.6 million farms, that the medium-level agri-food supply chain must be well studied by sublevels: production, processing and selling and that those sublevels or segments have different issues. VIA CAMPESINA shared that it has developed a proposal for a directive on agricultural land and criticises the part of the report concerning the importance given to technological solutions, which, according to them are currently only promised by a handful of large European industries that have near-monopolistic control of the market for inputs necessary for agricultural production.

4.6. CAP Strategic plans overview:

Presentation of key elements of approved 28 CAP Strategic plans, DG AGRI. A1- Policy perspectives. Observations on launch of implementation of the CSPs from members

The representative of DG AGRI provided a general overview on implementation choices of Member States in the 28 Strategic plans. The overview included facts and figures summarised for all plans on financial information, and on key targets and interventions related to all specific objectives in the CAP Strategic plans. The information is published on the web site of the Commission (https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans-country_en). More analytical and detailed information related to all CAP plans will be provided through a report that the Commission that is due to Parliament and Council by the end of 2023.

Different members of the CDG asked questions, raised comments and provided input regarding the start of implementation of the Plans:

- Insufficient funding for organic farming and the overall ambition of the Spanish plan in view of some schemes and interventions aiming to increase the use of water reserves (IFOAM);
- The CAP regulation is too vague as regards balanced representation of stakeholders in the monitoring committees at the national level. Would DG AGRI provide some guidelines to Member States to ensure this? Have the environmental assessments been taken into account for the approval and in the future for amendments of the CSPs? (WWF and Birdlife);
- Farmers across Europe are motivated to move to more sustainable practices. However, some rules and details are not yet clear to farmers and there are not communicated clearly to farmers. Simplification is not happening for farmers. The uncertainty around the implementation of the plans is high and detailed rules are late in some Member States. Applications are posing problems (i.e. in ES, FR, BE-Wallonia);
- It is important that the GAEC standards are feasible for farmers in order for more farmers to be able to take up voluntary measures. Moreover, given changing circumstances, is the planned uptake of voluntary measures realistic?
- Additional GAECs that are introduced by Member States create complexities. (e.g. ES);
- Requested more information on what plans deliver on biosecurity;
- Via Campesina expressed the view that more information is needed for analysis. Moreover, they were of the view that the Strategic plans have a reduced ambitions compared to what was originally envisaged and rather reward the status quo;
- Support for the beekeeping sector is not enough and there are major discussions for their support given different rules for financing of the funds (e.g. in Italy);
- Asked more information on the exclusion of pensioners from the active farmer definition.

DG AGRI thanked the members for the feedback and provided a number of additional clarifications:

- The role of the monitoring committee is crucial. The code of conduct on the partnership principle common to all EU funds for shared management established by the Commission has to be respected. It provides basic rules for setting up the monitoring committees. The Commission is continuing to improve the Code of conduct based on good practice and feedback from stakeholders;
- The Plans were approved based on criteria in the Regulation which require an overall higher ambition;
- The exclusion of pensioners in the definition of active farmers set by Member States in their Strategic plan has been accepted by the Commission when such exclusion was based on a justification related to the specific needs and necessary to attain the objective to ensure farmers' generational renewal;
- The Strategic Plan Regulation gives Member States a possibility to define additional GAEC standards. Six Member States used this option (AT, BE-FL, ES, LV, NL and FI).

4.7. Rural Development - programming period 2014-2022 – Brief information, *DG AGRI.C1 - CAP Strategic Plans' coordination*

The Commission services presented information regarding the transitional rules concerning multi-annual commitments and the parallel implementation between the funding period 2014-2022 and the funding period 2023-2027. The time period concerned is 3 years, i.e. from the beginning of 2023 until the end of 2025, when the N+3 rules of Rural Development Programs (RDP) ends. There are two options:

In the first option the implementation of the RDP continues: The commitments for animal related and area – based payments continue to be carried out under the RDP after 2023 (maximum until 2025). The continuation of commitments under the RDPs entails that cross-compliance continues. Hence 'old' rules apply for 'old' commitments which are paid under the RDP. For farmers this means they cannot end the commitments before the end of the duration period. At the same time, beneficiaries receiving support under the CAP Strategic Plan for the new commitments have to comply with the new conditionality (direct payments/eco-schemes and interventions under Art 70, Art 71 and Art 72 of the Strategic Plan Regulation).

In the second option, there is carryover of funding - the expenditure for ongoing multiannual RDP commitments is carried over to the CAP Strategic Plan and is incorporated in planned interventions or as stand-alone (transitional) intervention. Conditionality rules apply here as well but farmers can step out if they don't agree with new conditions (revision clause applies). Member States have to inform farmers about the option that will be applied before the application period is launched.

As regards measures which are paid based on grants and are neither related to area, nor to animals, the Commission services explained that as basic conditions, the relevant expenditure is provided for in the CAP Strategic Plan and that the measure must be compatible with the CAP Strategic Plan strategy and the relevant intervention in the Plan. The EAFRD contribution rate of an intervention must be in accordance with the CAP Strategic Plan and Regulation (EU) 2115/2021. Also for these measures, double funding has to be avoided by Member States and beneficiaries. Hence, farmers, in line with financial rules, should avoid applications for commitments paid under the RDPs and commitments paid under the CSP as from 2023.

A CDG member raised the question that the application of GAEC 8 (4% of non - productive area) during the transitional period (2023-2025) for the new interventions under the CSP is not compatible with the requirements of the measures under the RDP. Adjustment to the new conditionality also for the RDP measures can bring positive benefits to biodiversity and some RDP flexibility would be helpful. The Commission services are aware of this issue and the fact that the implementation of the new conditionality may impact the implementation of the ongoing commitments under the RDP. This issue will only be relevant until the end of 2025, and for this reason there will be no obligation to adjust the RDP premium as long as the requirement of the new conditionality is fulfilled.

Furthermore, a CDG member enquired whether the complementarity of funds for irrigation investments is acceptable or not. The Commission services replied that, as indicated in the RDPs and in the CSPs this is possible. However, special attention should be paid to avoid double funding for the same item.

Members of the CDG asked if the old RDP budget can be used until the end of 2025 to finance areas with natural constraints (ANC). Commission services replied that this is possible as indicated in option 1). However, ANC is an annual support and it has neither multi-annual, nor commitment nature. In addition, payments for ANC cannot be carried over.

4.8. State of play of CAP secondary legislation – Information, DG AGRI.C1 - *CAP Strategic Plans coordination*

The Commission services provided information on the delegated and implementing acts relevant for the CAP Strategic Plans that have been adopted, pointing at the fact that in this period the empowerments for the Commission to adopt secondary legislation is less than in the previous period. DG AGRI presented in detail Delegated Regulation (EU) 2023/370 laying out specific requirements and additional provisions related to requests for amendments of CAP Strategic Plans.

Furthermore, Commission services presented Implementing Regulation (EU) 2023/130 on the Annual Performance Report. This report gives account of the implementation of the CAP Strategic Plan in the previous financial year. It provides a narrative report on the implementation organised by specific objectives and gives quantitative information on realised outputs and achieved results, which are compared to planned outputs and set milestones.

4.9. CAP Network: Objectives, structure and governance – Presentation, DG *AGRI. D1 - Rural areas and networks*

DG AGRI provided information on the launching of the CAP Network and its scope. It is based on the CAP Strategic Plan Regulation and it is aimed to enable networking and exchange of practices among Managing Authorities and stakeholders on EU level. This network builds up already on the CAP network for rural development and EIP AGRI network in the previous programming period. The CAP Network has various objectives, including in relation to information sharing, capacity building and exchange of experience. The Network has three secretariats organising three main strands of activities, in relation to overall implementation, evaluation and innovation. Members were informed about the forthcoming workshops and thematic groups that will start working. More information on upcoming activities is available at [Welcome to the EU CAP Network! | European CAP Network \(europa.eu\)](https://europa.eu/european-cap-network/)

4.10. AOB: Horizon Europe Mission 'A Soil deal for Europe'

DG AGRI F.2 presented the EU Mission “A Soil Deal for Europe”. Missions are a new instrument under the EU Research Framework Programme Horizon Europe to address in impactful ways major societal challenges. With about 60% of soils in Europe considered a being “unhealthy”, the goal of the Soil Deal Mission is to set up by 2030 100 Living Labs (LLs) and Lighthouses by 2030 to pioneer and scale up solutions for sustainable soil

management and restoration ⁽¹⁾. In addition to promoting local/regional action in Living Labs, the Mission is implementing an ambitious R&I programme, advancing soil monitoring and promoting education, training and advise in relation to soils.

Since its start in October 2021, the Mission has published call for proposals under three Work Programmes, these resulting so far in about 30 projects working in areas such as carbon farming, soil decontamination, soil biodiversity, or engaging municipalities and regions in the protection and restoration of soil health. Projects are helping to identify robust soil health indicators and advance soil monitoring including through the application of Artificial Intelligence. They are also promoting the development of new business models and certification methods for soil friendly and climate neutral value chains.

The first call for Living Labs was published in December 2022 (with a deadline in September 2023). This call will lead to setting up the first 20 – 25 Living Labs under the Mission. Engagement sessions are currently being carried out in MS and Associated Countries to promote the call and stimulate ideas and partnerships for Living Labs.

A major success has been the integration of the Soil Deal Mission in 18 out of 28 CAP Strategic plans. This will allow to exploit synergies between the two instruments, such as the replication of Living Lab activities and solutions in CAP Operational Groups. These synergies could be strengthened through regular dialogues with the CAP Managing Authorities and the CDG.

Regions, Municipalities and other public and private stakeholders are invited to voice their support to the Soil Deal Mission by signing its Manifesto ⁽²⁾. It will be officially launched 18 April 2023 together with the European Regions Research Network. More information on the Mission can be found on the Mission’s website which will be extended soon to provide a wide range of services ⁽³⁾.

5. Next meeting

The next meeting is planned for the second half of June.

6. List of participants

Meeting of the Civil Dialog Group on the CAP Strategic Plans and Horizontal Matters

ORGANISATION
AEEU - AGROECOLOGY EUROPE
AREFLH - ASSEMBLÉE DES RÉGIONS EUROPÉENNES FRUITIÈRES LÉGUMIÈRES ET HORTICOLES

⁽¹⁾ This is to address major soil health challenges in line with the Mission’s specific objectives: reduce soil degradation, soil sealing, pollution, erosion and the EU’s global footprint as well as enhance soil biodiversity, soil carbon sequestration and soil literacy in society.

⁽²⁾ <https://ec.europa.eu/eusurvey/runner/mission-soil-manifesto>

⁽³⁾ [Soil health and food \(europa.eu\)](https://ec.europa.eu/soil-health-and-food/)

AREPO - ASSOCIATION DES RÉGIONS EUROPÉENNES DES PRODUITS D'ORIGINE
BEE LIFE - BEE LIFE - EUROPEAN BEEKEEPING ORGANISATION
BIRDLIFE EUROPE
CEETTAR - CONFÉDÉRATION EUROPÉENNE DES ENTREPRENEURS DE TRAVAUX TECHNIQUES AGRICOLES
CEJA - CONSEIL EUROPÉEN DES JEUNES AGRICULTEURS / EUROPEAN COUNCIL OF YOUNG FARMERS
CELCAA - EUROPEAN LIAISON COMMITTEE FOR THE AGRICULTURAL AND AGRI-FOOD TRADE
CEPF - CONFEDERATION OF EUROPEAN FOREST OWNERS
CEPM - EUROPEAN CONFEDERATION OF MAIZE PRODUCERS
COGECA - EUROPEAN AGRI-COOPERATIVES / GENERAL CONFEDERATION OF AGRICULTURAL CO-OPERATIVES OF THE EUROPEAN UNION
COPA - "EUROPEAN FARMERS / COMMITTEE OF PROFESSIONAL AGRICULTURAL ORGANISATIONS OF THE EUROPEAN UNION
EAPF - EUROPEAN ALLIANCE FOR PLANT-BASED FOODS
ECVC - EUROPEAN COORDINATION VIA CAMPESINA
EEB - EUROPEAN ENVIRONMENTAL BUREAU
EFA - EUROGROUP FOR ANIMALS
EFNCP - EUROPEAN FORUM ON NATURE CONSERVATION AND PASTORALISM
EFOW - EUROPEAN FEDERATION OF ORIGIN WINES
ELARD - EUROPEAN LEADER ASSOCIATION FOR RURAL DEVELOPMENT
ELO - EUROPEAN LANDOWNER'S ORGANISATION
EMB - EUROPEAN MILK BOARD
EPHA - EUROPEAN PUBLIC HEALTH ALLIANCE
ERCA - EUROPEAN RURAL COMMUNITY ALLIANCE
EUCOFEL - FRUITVEGETABLESEUROPE

EUFRAS - EUROPEAN FORUM FOR AGRICULTURAL AND RURAL ADVISORY SERVICES
EURAF - EUROPEAN AGROFORESTRY FEDERATION
EUROMALT
EUROMONTANA
FEFAC - EUROPEAN FEED MANUFACTURERS FEDERATION / FÉDÉRATION EUROPÉENNE DES FABRICANTS D'ALIMENTS COMPOSÉS
FESASS - FÉDÉRATION EUROPÉENNE POUR LA SANTÉ ANIMALE ET LA SÉCURITÉ SANITAIRE
FOE - FRIENDS OF THE EARTH
FOODDRINKEUROPE
FRESHFEL EUROPE
IFOAM - INTERNATIONAL FEDERATION OF ORGANIC AGRICULTURE MOVEMENTS EUROPEAN REGIONAL GROUP
IPIFF - INTERNATIONAL PLATFORM OF INSECTS FOR FOOD AND FEED
PFP - PRIMARY FOOD PROCESSORS
RURAL TOUR - EUROPEAN FEDERATION OF RURAL TOURISM
WWF - WORLD WIDE FUND FOR NATURE

(e-signed)

Catherine GESLAIN-LANEELLE