EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate B. Sustainability **The Director**

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MINUTES

Meeting of the Civil Dialogue Group "Environment and Climate Change"

19 October 2022 (by videoconference)

Chair: AGRI.B2

Delegations present: All organisations were present, except:

CEMA - European Agricultural Machinery (CEMA), Climate Action Network Europe (CAN Europe), EuroCommerce, EuropaBio, European Biodiesel Board (EBB), European Crop Protection Association (ECPA), European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT), European Forum on Nature Conservation and Pastoralism (EFNCP), European Organic Certifiers Council (EOCC), Fertilizers Europe, Pesticide Action Network Europe (PAN Europe)

- 1. Approval of the agenda and of the minutes of previous meeting
- 2. Nature of the meeting: non-public
- 3. List of points discussed

CSP and the assessment on green ambition

3 presentations, slides were shared with the group:

- 'The approval process and the green architecture' (AGRI B2)
- 'Assessment of the environmental and climate ambition of the CAP Strategic Plans (BirdLife Europe)'
- 'Conclusions of ENRD workshop on the Green architecture' (European CAP Network, invited expert)

Exchange of views:

EURAF: Difference between green productive investment and non-productive investments? Annual performance review every 2 years? Result indicator R17 re forest: Only half of the nine approved CSPs include something about it, but impact indicators?

Reply AGRI.B2:

There are 3 types of investments:

- 'Non-productive' means no profit (for beneficiary), not linked to productivity of holding, rather purely nature-based solutions. Up to 100% support rate.
- 'Green productive' can increase productivity of holding but are clearly linked to environmental and climate objective. 80% maximum support rate.
- 'Normal productive' would mainly contribute to the economic resilience or performance of the holding/business, and therefore don't count for the ringfencing, and have a support rate of up to 65%.

Performance review: The annual performance report will include all result indicators (so reporting on data for result indicators will be annual). However, only every second year the biennial performance review will look on certain result indicators only (so a sub-set of all result indicators), and will compare with planned milestones. Under this review, MS will have to justify gaps of more than 35%, and COM can request an action plan if performance and justifications are not satisfactory.

R17: Many MS use national funds, then the value is blank in the CSP.

Impact indicators are not "planned" as such (no setting of target values under the CAP Plans as these types of indicators are often too much influenced by other factors than the CAP support). However they will be monitored and used for evaluations.

COPA: Hopes to get good overview on what is working well, both for farmers and environment. We need to get also opinions from the farmers. Worried about delay in timeline of approval, may have a very negative effect.

Another comment was that there is a 'cannibalization' with second pillar, measures are being put into eco-schemes now. It is not possible to find attractive agro-environmental measures in the second pillar any more.

On the presentation from Birdlife, COPA did not share the shortcomings identified, as many environmental measures are now mandatory. It is important to take into account the whole green architecture not just eco-schemes.

IFOAM: Some target values for R29 (organic farming) are lower than actual share. Clarifications about no-double funding principle as this is an issue for organic farmers.

ELO: had questions on the presentation from BirdLife and asked to elaborate on claimed failure to reduce pesticides.

Reply AGRI.B2:

Plans have to be approved before the end of the year. On the target value for the Result Indicator on 'organic farming' which seems too low: Bear in mind that there are 2 levels: a) contribution to Green Deal target, where we see much higher ambitions because this will capture all existing organic areas, b) area covered by CSP support (often

significantly less, because it is the newly converted areas, plus some areas under "maintenance" for a limited time). Another reason for this (seeming) discrepancy can also be the additional funding outside CSPs.

Reply BirdLife:

Yes, overall ambition has increased, but still fails to address key concerns. Example: support for grassland does not regulate the mowing. The plan supports intensive milk production and extensive farms loose out.

CAP Network (invited expert):

It is indeed important to consult farmers and collect their views: We were 'testing' draft eco-schemes with a group of farmers to see whether/how they could work in practical terms.

AGRI.B2:

Reminds the three general objectives, the importance of keeping the overall balance, but the thematic focus of this session and discussion here was simply on environmental interventions. Reminding the role of new, ambitious conditionality (does not appear in result indicators and budget). We don't see 'cannibalism' of eco-schemes against agroenvironmental measures, they still go very much together. In addition we have the green investments in rural development which gained importance.

<u>Presentation on Guidelines to support the application of Regulation 2020/741 on minimum requirements for water reuse by (ENV CI)</u>

Slides were shared. No question was raised by the group.

<u>Outcome of the work of ENRD on carbon farming (European CAP Network, invited expert)</u>

Slides were shared. Exchange of views:

EURAF: Regarding the issue of potential double-funding, what could be the time sequence to phase in support for carbon farming?

Reply: Maybe CAP to initiate, private investments coming later. Role of certification.

IFOAM: First movers' issue – how to reward existing efforts? Result-based against management-based approach?

Reply European CAP Network, invited expert: No recommendation as such. Discussion was more on 'Monitoring, Reporting, Verification'. Maybe a hybrid approach: management-based with a top-up for quantified results?

COPA: We hope for clarifications on rules and calculations to get a market. CAP funding is not enough. Only measurement-based approach makes sense.

Reply AGRI.B2 on double-funding: Within the CAP the principle is important to not pay twice for the same. Carbon farming is different: Market to be created not linked to CAP support. Regulation coming soon.

<u>Presentation on the role of the Harmonized Risk Indicators (HRI) under the proposed</u> Sustainable Use of Pesticides Regulation (SUR) (IFOAM)

Slides were shared. Exchange of views:

ELO: Sensitive areas are defined too broadly under the SUR (example Natura 2000). Conflict with CAP objectives. Weakens competitiveness of EU farmers.

COPA: Yes, minimize pesticides use, but farmers should be able to use as much pesticides which are really necessary. We see problems with the definition of sensitive areas, we have to find new varieties – new breeding techniques (NGT).

COPA: Main problem with SUR is that in sensitive areas there's no production (possible) any more, neither conventional nor organic.

IFOAM: Need to distinguish toxicity, pesticides versus natural substances. We don't need NGT for a systemic approach.

COPA: Also nature and water conservation areas are sensitive areas under the SUR. That's far too broad.

<u>Presentation on the proposal of Industrial emissions Directive (IED) revision by</u> <u>Michal Chedozco (ENV C4)</u>

Slides were shared. Exchange of views:

COPA: 150 LSU threshold is far too low, especially because of the cumulation rule.

DG ENV C4: Aggregation rule prevents artificial splitting of farms in order to avoid the IED thresholds.

COPA: There has been a miscalculation by the Commission, data base was outdated. Also the conversion rules need clarification. Overall the proposal puts pressure on EU farmers and lowers competitiveness. To put mostly family farms under 'industrial' legislation is disrespectful.

COPA: We do not agree with many findings in the Impact Assessment.

COPA: Cattle is there for food production. Did you think of an environmental tax on consumption?

IFOAM: Does the proposal make a differentiation between outdoor and indoor systems?

COPA: proposed to do a fact-check on the counting towards threshold.

DG ENV C4: We are checking now also the latest data from Eurostat (2020) and the calculation may be updated. On the conversion rates: Clarifications are available. Livestock is regulated since 1996 already under IPPC Directive, the predecessor of the IED, and is not being assimilated to industry, receives an own chapter with tailored and simplified rules. Indoor versus outdoor systems will be dealt with in the operating rules. There is also an opportunity in updating the legislation for innovation to minimize effects.

- 4. Conclusions/recommendations/opinions: Not applicable.
- 5. Next steps: not applicable.
- 6. Next meeting: date tbd
- 7. List of participants: attached below

(e-signed)

Michael PIELKE

List of participants—Minutes Meeting of the Civil Dialogue Group "Environment and Climate Change" 19 October 2022

ORGANISATIONS
AnimalhealthEurope
Bee Life-European Beekeeping Coordination (Bee Life)
EU Association of Specialty Feed Ingredients and their Mixtures (FEFANA)
Eurogroup for Animals
European agri-cooperatives (COGECA)
European Agroforestry Federation (EURAF)
European Coordination Via Campesina (ECVC)
European Council of Young farmers (CEJA)
European Environmental Bureau (EEB)
European farmers (COPA)
European Landowners' Organization asbl (ELO asbl)
European Liaison Committee for Agriculture and agri-food trade (CELCAA)
FoodDrinkEurope (FoodDrinkEurope)
IFOAM Organics Europe
SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
Slow Food (NA)
Stichting BirdLife Europe (BirdLife Europe)
2 "ad hoc" experts