

FINAL MINUTES

Meeting of the Civil Dialogue Group Direct Payments and Greening 11th September 2020

Chair: Ms Maria Skovager Østergaard

Organisations present: All Organisations were present, except ECPA and EMB.

1. Approval of the agenda

Agenda was approved

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed [Name of each point, one by one]

1. Approval of the agenda

Agenda was approved

2. Approval of the minutes of the previous meeting

Minutes were approved

3. Elections

Commission presented the candidates who applied for the positions of chair and vice-chair and they briefly presented themselves.

In total 54 persons voted in the elections.

The candidates were:

Maria Skovager Østergaard from DAFC for chairwoman. – 0 against, 6 abstain

Jabier Ruiz from WWF for vice-chair – 2 against, 5 abstain

Simon Wancke from CEJA for vice-chair – 4 against, 9 abstain

Kurt Sannen from IFOAM for vice-chair – 14 against, 28 abstain

Ms Østergaard was elected as chairwoman, with Mr Ruiz and Mr Wancke as vice-chairs.

4. Measures taken by the Commission to help agriculture sector deal with the covid-19 pandemic

a. *Presentation by the Commission services*

Commission (Ms Stawowy) gave a presentation on the COM help to agriculture sector face the difficulties due to the Covid-19 pandemic.

b. *Exchange of views with members*

EURAF asked a question on the use of remote system. The IACS/LPIS system is best in the world and ideal for farm scale modelling (like the FAST tool) but there is a huge need for anonymised data to be available to researchers/consultants - but many countries keep still keep all data strictly private - what can your unit do to encourage member states to embrace OPEN DATA?

COM answered that they are indeed encouraging MS to share the data from the system in a dedicated process, which also aims at clarifying the obligation to share the data. Balance needs to be found between the data sharing and protection of personal information.

Chair commented that it is a step in a good direction to provide the payments to farmers faster.

EFNCP commented that they have developed mobile phone apps and geotagged photos for monitoring of pilot results based payments and supporting actions within a number of European Innovation Partnerships in Ireland and they are working very well. There is significant potential to enable self-assessment by farmers and more efficient control by paying agency

5. State of play on the MFF, transition regulation and CAP post 2020 legislative process

a. *Presentations by the Commission services*

i. *MFF*

The Commission (Mr Frank Bollen) made a presentation on state of play MFF

ii. *Transition regulation*

The Commission (Miss Laval) gave a presentation on the transition regulation

iii. *CAP post 2020 legislative process/European Green Deal interplay with CAP post 2020*

b. *Exchange of views with members*

The Commission (Mr Ramon) gave a presentation on the CAP post 2020

ECVC commented that the covid experience shows that the PAC does not have any tools to deal with the crises, but it can also improve the instruments used for the future of the CAP, in the CMO, to face these crises.

COPA commented on Mr Bollen presentation. If we compare real euros, 2018 value, the CAP budget is reduced around 9%. Farmers are dealing with that in practice. This is what should be communicated

Birdlife asked: given how the Council is butchering the Green Architecture, shouldn't the EC abandon the claim that 40% of the CAP delivers on climate objective (which has been already criticised by the ECA and scientific institutions such as the IEEP)?

COGECA asked about agricultural reserve. What happens in case one year there are no unused funds?

ECVC commented that the Council proposes to set up voluntary capping - ECVC supports rather the Commission's proposal, with an obligatory approach, and a degressivity starting at EUR 60 000. The EP is making a proposal in a same direction

EFNCP supports the question from Birdlife. Raised the worrying developments at recent council meeting question the environment ambition of CAP and even risk breaching article 92 (backsliding). We risk the environment ambition being all talk.

COPA asked can we in the CDG also discuss the economic dimension of the Green Deal? Yes, we debate environmental sustainability here, but are we going to decouple farming from the international markets because we raise the European standards?

CEPM commented that any objective of reduction of the use and risk of chemical PPP must take into account the availability of alternatives and agriculture practices such as Integrated Pest Management. This should take place at a realistic pace.

Birdlife reiterated the question asked previously, saying that the CAP will not deliver on the ambition, but wonders whether it will be undermined in the Council, what will the COM do if the CAP proposal is watered down. Mentioned that it is impossible to measure the targets in the CAP.

COPA stressed that we need to have a good approximation of the budget available, otherwise they will not have the possibility to implement measures next year. Wondered about the distribution in external convergence. Wondered about the funding available to farming.

COPA asked when does the Commission plan to present the impact assessments on the F2F and Biodiversity strategies?

COPA asked for better explanation of what does exactly mean "ensuring overall sustainability for coupled support, sectorial programmes..."

The Commission (Mr Ramon) answered that, regarding the final text of the CAP Reform, there is a need for an agreement between Council and the European Parliament. COM will insist on keeping the level of environmental ambition of the CAP proposal, since this is needed to achieve the ambition of the Green Deal.

Food Drink Europe asked if the Commission intends to run a cumulative assessment of the impact, and possible trade-offs, of all the Green Deal targets on agriculture?

COPA asked that if the Commission wants 25% of the EU's agricultural area to be "green" in its strategies, does it envisage equivalent sustainable agricultural practices?

The Commission (Mr Ramon) answered on the question of the impact assessments: the impact assessments will accompany each of the different legislative proposals which will implement the strategies. Also, in other specific legislation, like the new climate legislation, the impacts on agriculture are incorporated in the specific impact assessment.

CEJA asked one more question about the impact assessments: Will the commercial aspect with third countries be taken into account when carrying out these impact studies? Because we already have data from the agricultural sector that these strategies (F2F and Biodiversity) will produce negative impacts on farmers' income.

ECVC commented that the Council plans to put the unused funds from eco-schemes in other measures. Would this not compromise the ambition of eco-schemes to support agroecology and sustainable agriculture?

The Commission (Mr Ramon) answered that the recommendations will need to be based on evidence. The Green Deal reinforces the need to improve the monitoring of the performance and to have good and sound data. He reminded that in the Farm to Fork Strategy, the Commission asks MS to translate each of the EGD targets into national values. This should ensure that EGD will achieve the ambition. On the question on alternatives to pesticides, the Commission also wants to accelerate the development of alternatives, this is why is important both the boost of innovation and the need to change the authorisation procedures (foreseen in the Farm to Fork Strategy). On the 25% organic target – the market needs to be the driving force, so we need to push the demand. COM has also committed to third countries the same environmental standards as EU. There was not a specific impact assessment for F2F, as each specific actions will have their own assessment. We need to have a proper monitoring on the impacts that the different actions will have on food security. The different elements should go hand in hand.

EEB asked that when the Council introduced the following "assessment shall exclusively be based on acts which are legally binding on Member States" how the EC will push the EU Green deal target in that context?

Birdlife asked what tools will the Commission have to ensure the Member States include the recommendations in their plans? OR what will be done if they ignore them?

COPA commented that we will seek reciprocity in trade. But how can we impose standard to third countries compatibly with WTO rules?

The Commission (Frank Bollen) answered that there is already balance between Council and COM but will still need approval from EP, but everyone understands the urgency. The external convergence was a compromise in the time available to the Summit. The money dedicated to humanitarian aid – this did not mean the decrease in the CAP budget, it was used from the margins and has no impact. Most of the measures from this year to deal with covid19 will actually fall in the budget 2021. Explained the mechanism of crisis reserve – there will be only cut in direct payments the first year, for the rest there will be a roll over. Answered that the amounts are in current prices, as it is a good reflection of what will farmers receive in the end. The MFF was in the end a good deal.

COPA asked for the definition of targets, which are the starting points of each member state?

COPA asked whether the new EU Trade Enforcement Officer will make sure the international level playing field is guaranteed?

COPA asked how will the Commission ensure that all three goals (ecologic, economic, socio-economic) will be reached equally?

The Commission (Ms Laval) answered on the capping, she reminded the rationale of the obligatory rules that were proposed by the Commission, the Council made the capping voluntary. She underlined that the policy objective of fairer and better targeting remains key for the Commission, which will be assessed notably in the SWOT analysis, needs assessment and intervention strategy.

COPA reiterated the question on the reference period in order to define the targets?

COGECA reiterated a question on starting point in different MS. As well as how the targets will be distributed between MS?

PAN commented that DG SANTE is proposing 2015-17 as baseline regarding pesticides while the proposed indicator is the harmonised risk indicator 1

COGECA asked how will the Commission ensure that front runners are rewarded and not punished? Does it mean that some MS do not have to do anything, if the targets e.g. on AMR is already fulfilled?

Break 11:00 –11:30

Session 11:30 –13:00

6. Direct payments in the CAP post 2020: focus on land eligibility, regionalisation and internal convergence

a. Amendments from Council and Parliament on land eligibility, regionalisation and internal convergence –presentation from the COM

Ms Marie Bourjou gave a presentation on land eligibility, regionalisation and internal convergence

b. Paludiculture –extending the land eligibility to innovative approaches –presentation from Aldert van Weeren and Jan Peters (Michael Succow Foundation)

Ms Franziska Tanneberger (Greifswald University and on behalf of Aldert van Weeren) gave a presentation on paludiculture

c. Land eligibility, landscape features and green infrastructure –presentation from Peter Andersen (Danish Agricultural Agency)

Mr Peter Andersen gave a presentation

d. Internal convergence and regionalisation: a not so common CAP -presentation from Jabier Ruiz (WWF)

Jabier Ruiz – WWF – gave a presentation

e. Exchange of views with members

BIRDLIFE asked whether it does not make sense that exemptions and derogations to landscape features will help with environmental and climate ambition? The Council is simply proposing to go back to the ecologically ineffective measures of the Greening.

Eligibility must ensure that farmers aren't incentivised to clear landscape features in order to get the payments, but there also needs to be a requirement on all farms to have a minimum amount of natural habitat on their farm, as this is the only way to get back biodiversity and the ecosystem services it provides. The science shows a minimum of 10% is needed.

COPA asked how will the 10% target be implemented on farm level? Knowing, that we have very different farm size. Or in municipality or region level?

EFNCP commented that increased flexibility for MS is welcome. Must be clear that all features on farmland that contribute to meeting CAP objective (including env and climate goals) and that require farming intervention of some kind have to be eligible for support. Interpretation and guidance from commission drive implementation strategies by MS. Currently some of the areas on farms most valuable in terms of contributing to carbon sequestration; water quality and regulation and nature value are undervalued or ineligible for support in system.

EURAF commented that too many agricultural statistics are only available at NUTS2 level. Better to have environmental and economic data at NUTS3 for setting targets at "territory level".

COPA stated that farmers need also market where to sell products and investment support, not advice, how to reorient today practice

COPA thanked for the presentation about peatlands. In the Netherlands, LTO is part of a national climate deal and that includes peatlands. One of the topics is the development of a national carbon market. www.nationaleCO2markt.nl. "valuta voor veen" or "cash for carbon"

PAN asked if Denmark alone is making this proposal highlighted in Mr Andersen presentation or are other MS supportive of this approach?

EURAF commented that farmers can already mark landscape features in the LPIS and these are currently eligible for direct payments - but the French approach is better i.e. to mark all hedges etc. automatically - and farmers just confirm these.

COPA asked a question to Denmark. Why a voluntary measure for EM?

ECVC stipulates that keeping the land in good agro-envi condition is not enough to get CAP payments. You need to develop an agricultural production on this land – if you would only attribute support for maintenance, it would not incentivize young farmers to start farming.

EFNCP commented that a particular barrier at the moment is the 2 m width limit for certain landscape features in LPIS Guidance documents from Commission. As far as I understand there is a requirement for use of greater width to have been notified in 2009, is there a plan to change this guidance as part of greater flexibility?

Ms Tanneberger answered that carbon crediting schemes are certainly important tools to reward farmers for higher water levels on peatlands. The MoorFutures scheme runs in Germany since 2011 (www.moorfutures.de), my institution is involved. The scheme is

almost sold out, demand for credits much higher than supply. Barriers for rewetting high as long as wet farming is discriminated compared to drainage-based farming.

EURAF commented that the 2m width is up to Member States - then can go up to 20m in GAEC 7 if their rules are clear (i.e. they can use EITHER cross compliance or greening dimensions)

EFNCP replied that same barriers to rewetting noted in various pilots under EIP operational groups in Ireland

Ms Tanneberger replied in addition to carbon credits: Compensation only an option until 2050, as the Paris Agreements implies to bring down all CO2 emissions to net zero (cf. IPCC 1.5°C report 2018).

BIRDLIFE thanked for presentation of Mr Andersen. The logic makes a lot of sense, but with only 2.5% mandatory for biotopes (with anything beyond being voluntary) how will you get with this to the bare minimum of 10% that is needed at farm level for biodiversity to start returning? The other point is on quality of these areas - what you describe sounds like real habitat for nature, and it is key to avoid making GAEC 9 meaningless and ineffective by adding in all the greening exemptions that led to the greening not achieving results.

ECVC comments that talking about payment per ha only, especially when there are no maximum limits for exploitation, is misleading for Spain. In Spain the average area per farm is very uneven and therefore the average payment per farm is also very uneven, despite the differences between hectares.

EURAF asked to Peter Andersen - the LPIS can be used to measure GAEC9 areas but some countries refuse to improve their systems. Would you agree that their should be better minimum rules for what member states record? (e.g. hedges as polygons and not polylines).

BIRDLIFE asked about the paludiculture and the biodiversity side of things, if they looked into different management options, into different environmental impacts.

Ms Tanneberger answered that in most cases, higher water levels will also benefit mire-specific biodiversity. Greifswald University and partners ran a project on how to increase biodiversity in paludiculture, there are many (quite simple) options. When planning to shift to paludiculture, it is important to respect existing legislation. For example, within a NATURA 2000, the management is limited and wet meadows or wet pastures, but not deliberately established cropping paludicultures are possible. This should be assessed at a regional/national scale to give farmers planning security. Paludiculture land classification has been done in several German federal states and also in the Baltics.

Mr Andersen answered that the non-productive features are marked exactly in LPIS. This requirement poses difficulties to some farmers, as not all features are stable over time. MS should define agriculture area in relation to farmers and this is a reason to have it voluntary for MS, to make it possible to adapt it to national situation. Wondered about implementing acts and what details will be taken on board there. The GAEC 9 should set the baseline but then farmers should be able to receive a top up with the view to incentivize them to achieve the target of 10%. As for LPIS, the current quality requirements is expected continue. Farmers should indicate where exactly the feature is

located and whether it is eligible or not. Uniform rules for MS is not the way to go, why MS should further define the rules.

EURAF asked Jabier Ruiz - AGRIFISH has proposed a huge list of changes to the metrics in the annex to the CAP Strategic Plan - including even deletion of Result Indicator 29 - do you agree that the key to "subsidiarity" in goals is good and transparent metrics.

Jabier Ruiz (WWF) answered on ha payments in Spain - indeed, it is only one of the elements to be considered, the size of the farms is another. But it does not detract from the fact that the current model is difficult to justify. On the second question - yes indeed I agree, but the performance framework is weak. And result indicators are not the game-changer here. What is needed is that some key impact indicators become much more central in the CAP Strategic Plans design and revision process.

EURAF reacted to Javier - but Impact indicators are only at the beginning and end of the cap period - its not even sure they'll be used for the mid-term review? Or is it?

COPA made a comment on the regionalisation in Spain. Actually, the extreme difference in ratios in Spain is due to a single region, some 15,000 ha. If we do not take this small region into account, the differences are much less pronounced. 1:7 between dry and irrigated land in arable land, 1 to 5 in permanent crops and 1 to 3 in pasture.

Jabier Ruiz (WWF) answered that the ratio has indeed changed based on the land you are taking into account. They did not even take into account the Extramadura region with tobacco production. Clarified the situation on the averages and ratios. These ratios are usually 5 to 1 across EU. In Spain this is larger than across EU. The final payment also depended on the number of hectares each farmer has.

The Commission (Ms Bourjou) commented that MS claim that in some cases farmers destroy landscape features because they fear they will not be counted as eligible land. With the proposal, MS will have even more flexibility in defining what is eligible and what is not, provided the land remain agricultural. As for Denmark, the fact that their proposal would be optional for MS is not acceptable from the COM point of view. The framework for eligibility of the land should be common to the whole EU to ensure level-playing field for farmers. In reply to Mr Ruiz who stated Spain could simply go on with their current model in the future, the Commission replied groups of territories and corresponding levels of support should be justified on the basis of the needs assessment in particular in relation to income needs. An important objective of the proposal is that direct payments are more targeted and distributed in a fairer way. But the Council has already significantly watered down the proposal in this respect by making capping and redistributive payment voluntary, and by modifying the round sum for small farmers.

Jabier Ruiz (WWF) answered that indeed, this is an issue, that impact indicators are largely side lined in the whole performance framework. Unless something changes in the CAP agreement, Member States do not even have to state what their targets are on impact indicators

The Commission (Ms Stawowy) answered that to include some features in LPIS should be feasible, especially in the future, performance-oriented CAP. There is a number of details in the current rules, this will move to MS and COM will provide more guidance.

BIRDLIFE agrees with that, the CAP should ensure a common minimum that avoids damage to the environment (not the case currently), and payments should be made for actively beneficial practices

7. A.O.B. and suggestions for the next meeting
Nothing was discussed under this point

4. Conclusions/recommendations/opinions

As a point for clarification, the meeting was delayed due to technical difficulties with the online platform and interpretation. This delay meant that the time for debate amongst participants was shorter than expected.

5. Next steps

6. Next meeting

Next meeting might take place in the beginning of next year, depending on the availability.

7. List of participants - Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants– Minutes
Civil Dialogue Group Direct Payments and Greening
11th September 2020

MEMBER ORGANISATION	NUMBER OF PERSONS
Bee Life-European Beekeeping Coordination (Bee Life)	1
Stichting BirdLife Europe (BirdLife Europe)	2
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	1
European agri-cooperatives (COGECA)	15
European Coordination Via Campesina (ECVC)	3
European Crop Protection Association (ECPA)	-----
European Council of Young Farmers (CEJA)	5
Confédération Européenne de la Production de Maïs (C.E.P.M)	2
European farmers (COPA)	15
European Environmental Bureau (EEB)	2
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	1
European Forum on Nature Conservation and Pastoralism (EFNCP)	1
European Landowners' Organization asbl (ELO asbl)	2
European Milk Board (EMB)	-----
European Agroforestry Federation (EURAF)	2
Fertilizers Europe	1
FoodDrinkEurope	2
Greenpeace European Unit	1
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	3
Pesticide Action Network Europe (PAN Europe)	1
SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)	1
WWF European Policy Programme (WWF EPO)	1

External experts	2
Total: 64	