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## MINUTES

### *Meeting of the CDG Direct Payments and Greening*

*18-03-2022*

Chair: Pierre BASCOU

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

#### **1. Organisation of Directorate B**

The Commission has presented the organisation and mission statement of Directorate B following the reorganisation of DG AGRI. This Directorate aims at promoting and ensuring the sustainability of the EU agricultural and forestry sectors across its economic, environmental and social dimensions, thus contributing to the implementation of the 2030 Agenda for Sustainable Development. The Directorate provides analysis, legal interpretation and support to geographical units for ensuring the proper design, development, implementation of the national strategic plans and the assessment of their performance.

#### **2. CAP strategic plans: state of play**

The Commission has presented the state of play as regards the process of approval of CAP strategic plans. It recalled the long negotiation process ending with the adoption of the legislation in December 2021, the adoption of implementing acts, which allowed many Member States to submit their proposals for CAP strategic plans by the deadline of 1 January 2022. As of 18 March 2022, all CAP strategic plans were received, and their analysis was ongoing. The Commission's intention was to send observation letters on the received proposals and discuss them with Member States in a structured dialogue in more detail. This should lead to revised CAP strategic plans addressing the Commission's observations and eventually to formal approval of the CAP strategic plans to allow them to enter into force on 1 January 2023.

The Commission recalled the process of assessment, including requirements stemming from the legislation, as well as the close involvement of all Commission services in the

process. It then recalled the importance of respecting the partnership principle at national level. Bearing in mind the need to react to the international context, the Commission mentioned some initial general thoughts based on the analysis of the first 19 proposals for CAP strategic plans, in terms leading towards a fairer, greener and more modern and socially sustainable CAP.

### **3. Impact of the war in Ukraine for direct payments and greening**

The Commission has informed the CDG about the impact of the war in Ukraine for direct payments and greening.

It first underlined that the Russian invasion of Ukraine has further destabilised agricultural markets that were already sensitive. Yet, food supply is not at stake in the EU today. The EU is largely self-sufficient for key agricultural products. However, the invasion of Ukraine and the ensuing global commodity price boom has driven up prices in agricultural product markets and exposed the vulnerabilities of our food system: our dependence on imports of energy, fertiliser and animal feed. This increases costs for producers and will ultimately affect the price of food, raising concerns as regards the purchasing power of consumers, the income of producers. Globally, the trade disruption raises serious concerns about global food security stemming from the short-term impact of the war and the longer-term uncertainties that surround it.

The Commission announced that it is working on a Communication to respond to the invitation of the European Council in its Versailles declaration of 10 and 11 March 2022, to present options to address the rising food prices and the issue of global food security. It is based on an assessment of the situation and builds on the Commission vision for a fair, healthy and environmentally friendly food system as laid down in the Farm to Fork Strategy. This Communication will most likely consider short-term measures to support food security and agriculture in Ukraine, global food security, as well as farmers and consumers in the EU. It will also look at ways to address the deficiencies revealed by the developing crisis in view of enhancing the transition towards sustainable, resilient and fair food systems in the EU and globally.

As regards DP and greening, the Commission is considering to exceptionally and temporarily allow Member States to derogate from certain greening obligations. In particular, the Commission is considering to allow for production of any crops on fallow land that is part of Ecological Focus Areas in 2022, while maintaining the full level of the greening payment. This temporary flexibility will allow farmers to adjust and expand their cropping plans this year.

To address possible cash-flow challenges this autumn, the Commission is also considering allowing Member States to pay increased levels of advances of direct payments and area- and animal-related rural development measures to farmers as of 16 October 2022.

For the future, the current and dramatic crisis confirms that we need to accelerate the food system transition towards sustainability to better prepare for future crises. As a follow-up to the 2021 UN Food Systems Summit, the Commission will engage in eight coalitions that all aim at food system transformation, resilience and sustainable productivity growth.

The role of the CAP strategic plans for the period 2023-2027 will be crucial in supporting the transition towards sustainable agricultural practices and resilient production systems. This will be the focus of forthcoming observations of the Commission on Member State draft plans.

Remarks and comments were made by several members. Questions were also raised in relation to the specific derogation to allow production on EFA (most notably the magnitude of the areas concerned).

#### **4. Landscape features**

The Commission has presented an overview of the Pillar I general eligibility related rules, when it comes to agricultural parcel, containing landscape features, notably trees, under the new CAP legislative framework. The objective of this presentation was to explain the CDG how the EU legal framework has evolved in this respect.

The Commission has explained that under the CAP Strategic Plan Regulation (SPR) Member States have more possibilities to tailor their national decisions within the CAP framework. It clarified that the new framework no longer sets strict limits at the EU level, such as a maximum number of trees per hectare or a maximum size/width of a landscape feature. Rather, Member States are better placed to set such limits to better address local specificities and needs in view of further improving the sustainability of the CAP.

It was also noted that under the SPR Member States have to define elements of agroforestry systems (on agricultural areas) under the definition of ‘agricultural area’. The Commission explained that it is a new mandatory element for Member States under the Pillar I of the CAP. It was established by legislators to protect the existing agroforestry systems as well as to incentivise the establishment of the new ones.

The Commission emphasized that in view of the objective of Pillar I direct payments, which aims to support farmers’ income for performing a farming activity, it is important to ensure a balance between agricultural activity and the protection of trees, among other valuable landscape features. It was clarified that an absence of an adequate agricultural activity may lead to the area being not maintained in a good state, where trees/bushes start growing spontaneously. This would indicate that an area is abandoned, which is against the above-mentioned objective of direct payments.

Remarks and questions were raised by several members in relation to the complexity of the eligibility-related rules in general, the coverage of agroforestry systems in the Member States’ CAP plans and a possibility to do grazing activity on the non-productive GAEC protected features/areas.

#### **5. Farm to Fork and Biodiversity Strategies**

##### **IED**

The Commission circulated one page of written information and presented them to the Civil Dialogue Group in view to revise the Industrial Emission Directive (EU) 75 of 2010. The details of the proposal cannot be revealed because the internal interservice consultation is not yet closed. Cattle rearing installations could be added to the

installations of pigs and poultry already ruled. The Best Available Technics (BAT) for cattle should be developed. The Commission Joint Research Center is the coordinator to develop BAT in collaboration with national delegates, stakeholders and experts. The revision of the Directive appears necessary to further reduce the emission of pollutants in the air, water and greenhouse gases by animal industrial installations. The Commission considers the number of the current rearing installations submitted to the rules of the Directive, insufficient to reduce pollution. The proposal of revision should be adopted at the beginning of April.

In the same legal package, the Commission thinks to propose the revision of the Regulation (EC) 166 of 2006 establishing rules for the European Pollutant Release and Transfer Register (E-PRTR). This proposal would improve public access to key environmental data regarding industrial facilities and pollution.

## **NRL**

The EU Biodiversity Strategy aims to put Europe's biodiversity on the path to recovery by 2030 for the benefit of people, planet, climate and our economy. Developing a proposal for binding EU nature restoration targets is a key element of the Strategy.

The Commission worked during the last two years for preparing a law to restore nature, increase biodiversity and help tackling and adapting to climate change.

The Commission presented to the Civil Dialogue group the proposal of the Nature Restoration Law which aims by 2030 to restore significant areas of degraded and carbon-rich ecosystems including restoration targets and obligations.

The Commission carried out an impact assessment and organised an opened public consultation to consult the stakeholders and citizens.

The details of the proposal cannot be revealed because it has not yet been adopted. The adoption of the proposal by the Commission is foreseen before the summer.

## **Deforestation**

The Commission presented to the Civil Dialogue group the Commission proposal 995/2021 which aims to minimise the EU's contribution to deforestation and forest degradation worldwide and circulated a presentation with further details. The proposal bans placing on EU market six carefully selected commodities (Palm oil, soy, wood, cattle, cocoa, and coffee and some derived products) unless the operator has a system in place which demonstrates that these products are deforestation free and legal. The regulation will apply both to domestically produced and imported commodities and derived products.

It has progressive scope so more commodities can be added to the list. The proposed cut-off date' is 31 December 2020 so commodities are not allowed to enter the EU market if produced on land subject to deforestation after that date.

The proposal is based on existing definitions (coming from international work esp. FAO and EU legislation i.e. RED) and is applicable to operators and non-SME traders. The key element of the proposal is strict traceability linking the commodity to the plot of land where it was produced.

While the cost of the system for operators is expected to be limited, the competitiveness of EU protein and beef production could slightly improve, as it is easier for the concerned EU production to provide evidence of being deforestation free.

### **Revision of the Sustainable Use of Pesticide Directive (SUD)**

The Commission updated the group on the progress of the revision of the sustainable use of pesticide directive. The revision of the SUD is an important initiative under the [Farm to Fork strategy](#) and a Commission proposal was planned for adoption in the 1st quarter of 2022. In 2021, the Commission carried out an evaluation of the sustainable use of pesticides directive and an impact assessment of its possible future revision in line with the [Commission's guidance on Better Regulation](#). During this period, [intensive consultations](#) with Member States and stakeholders took place. The Commission drafted a legal proposal based on the outcome of the impact assessment, aiming at *inter alia* aligning the SUD with the Farm to Fork pesticide targets; improving the practical implementation and operationalisation of integrated pest management principles; strengthening the availability of pesticide use data and taking account for new technology. The Commission proposal was scheduled for adoption by 23 March 2022. However the invasion of Ukraine is affecting everything and the negative impact on food and farmers of the Russia's unjustified invasion of Ukraine calls for targeted short term measures. The adoption of the Commission proposal has, therefore, been delayed for a couple of weeks.

### **6. Secondary legislation: state of play**

The Commission presented to the Civil Dialogue Group the state of play on the secondary legislation on the integrated administration and control system (IACS) and conditionality. Commission explained that the proposed Implementing and Delegated Acts stem from Articles 74, 75 and 85 of the Regulation (EU) 2021/2116 and were part of the non-urgent batch to be adopted once the basic CAP Regulations were published. The proposed Implementing Act sets the requirements on the aid application, the area monitoring system (AMS) and the reports of the quality assessments (QA) of the identification system for agricultural parcels (LPIS), the geospatial application (GSA) and the AMS. The proposed Delegated Act includes the requirements of the LPIS and the QAs of the LPIS, GSA and AMS while it also includes provisions on the application and calculation of administrative penalties. The discussions with the Member States on the proposed acts started in September 2021 in the relevant Committees and Expert groups while the last discussion was held on 15 of March 2022. The target date for adoption for both acts is in May 2022.

**4. Conclusions/recommendations/opinions N/A**

**5. Next steps N/A**

**6. Next meeting**

Next meeting of the Civil Dialogue group DP-Greening will take place on 7 October 2022.

**7. List of participants (see annex)**

e-signed  
Pierre BASCOU

List of participants– Minutes  
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**18-03-2022**

ORGANISATION
BeeLife European Beekeeping Coordination
Confédération Européenne de la Production de Maïs (C.E.P.M)
European Forum on Nature Conservation and Pastoralism (EFNCP)
European Landowners' Organization asbl (ELO asbl)
European Agroforestry Federation (EURAF)
European Coordination Via Campesina (ECVC)
European Environmental Bureau (EEB)
European agri-cooperatives (COGECA)
European farmers (COPA)
European Council of Young farmers (CEJA)
Fertilizers Europe
FoodDrinkEurope
IFOAM Organics Europe
Pesticide Action Network Europe (PAN Europe)
Stichting BirdLife Europe (BirdLife Europe)
WWF European Policy Programme (WWF EPO)