

FINAL MINUTES

**Meeting of the Civil Dialogue Group on CAP
via videoconference (Interactio)
on Friday 19 March 2021 from 09:00 to 13:00**

Chair: Henri BRICHART (COPA)

Organisations present: all organisations were present, except CONCORD Europe, EuroCommerce, EFA, ECPA.

1. Approval of the agenda

The agenda was approved.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

2) Ongoing negotiations, legislative acts:

**a. CAP reform, state of play-Presentation by M. Dumitru, Deputy Director General
AGRI-Questions and answers**

The European Commission (COM) representative reminded the Council General approach and the European Parliament mandate adopted in October last year. Trilogues kicked off in November last year. The first one was a super-trilogue during which the working method was agreed. Since then, intensive work has taken place at all levels. The objective of the COM is to have the process completed in time. The Portuguese Presidency aims for an agreement in May 2021 to allow the publication of the regulations before summer and start working on Delegated and Implemented Acts and have them approved and published before the end of the year to allow MS to submit the Strategic Plans by end of the year and the COM to start approving these plans afterwards and start implementation as of 1 January 2023.

The COM is trying to provide all technical support and additional explanations in order to preserve the key elements of the proposal and aims to be an honest broker between the co-legislators.

The CAP Strategic Plans Regulation was split in 12 blocks, out of which 5 were discussed. Seven trilogues took place until now, the next one is a super-trilogue aiming to give a new boost to the process trying to conclude some key remaining sensitive amendments. This will cover the three regulations but the focus will be the New Delivery

Model (including the elements of the Horizontal Regulation) and better targeting of support.

The co-legislators have opposite views, with the Council trying to preserve the strategic planning and keep many of the elements voluntary (based on needs, SWOT analysis), while the EP wants additional details to ensure the commonality of the CAP and even pushing for amendments leading to a two layers system adding compliance on top of performance.

The first block: green architecture (conditionality, eco-schemes and AECM): good progress has been achieved on several elements but key elements remain to be discussed. Agreement was reached on Annex III (from 10 GAECs, 9 are agreed). Lot of discussion focused on GAEC 2, 8. GAEC 9 was not agreed, it remains to be agreed at political level. SMRs, despite strong opposition from the COM the co-legislators agreed to remove from the list the SMR regarding animal identification and animal health.. On eco-schemes – both co-legislators agreed to ring-fence a certain budget but they have different views on the percentage to be ring-fenced. No discussion took place so far on this. It was agreed to include animal welfare and antimicrobial resistance in the scope of eco-schemes. The flexibility mechanism in case of low uptake of eco-schemes, the learning period, transfer this expenditure from one pillar to another remains to be discussed at a later stage.

The second block: the New Delivery Model. There was a lot of discussion on the common set of indicators. So far, important elements from performance clearance were agreed (variation of unit amounts, planning and reporting, annuality of the report). The content of Annex I was more or less agreed – output, result, context and impact indicators should be in this annex and the first two used for performance clearance and performance review. The number of indicators are still to be decided. The COM tries to preserve key indicators that can demonstrate the contribution of the CAP to EGD and F2F and Biodiversity. Performance review (PR) (mark subset of indicators used for PR to be discussed). If there is deviation higher than the thresholds, action will be requested. The two co-legislators decided on a biennial performance review despite COM opposition (to be discussed in super-trilogue). The EP added amendments that bring back compliance and eligibility elements at beneficiary level. There will finally be trade-offs between reinforcing elements of Strategic Plans which give guarantees that the performance-based system is robust and convince the EP to give up the idea of the two-layer system.

The fifth block: interventions in the first pillar. The elements the COM introduced as compulsory, the co-legislators want to go in different directions. The COM proposed three elements should be compulsory: genuine/active farmer, degressivity, redistributive payments. The European Council, in its conclusions, made degressivity and capping voluntary. The intention is to keep the remaining key elements compulsory for a better targeting.

The EP wants full internal convergence, support the increase in the young farmers budgetary ring-fencing to 4%, compared to 2% proposed by the COM, to be exclusively used in Pillar I as a top-up.

Discussions on introducing social aspects in the CAP have also taken place, with the EP wanting to add social acquis and make it part of the conditionality mechanism. The Council recognizes this need.. The COM will work with the co-legislators to identify a compromise solution. The Council suggests the possibility to address social aspects

under advisory services and review the situation later on. A decision on this open issue will be agreed in the last part of the process.

On Rural development, block seventh, there is less progress compared to block five. EP reintroduced an annex setting the maximum level for interventions. The COM considers the limits do not make sense as these will come from SWOT. There are differences of opinions on the extension of scope for investment to rural infrastructure. The EP also wants to add additional ring-fencing for green investment inside the investment intervention.

On the Horizontal Regulation, several elements related to the New Delivery Model and on transparency and control were discussed. Discussions on agricultural reserve and other MFF issues related to the financing of the CAP (N+) rule will be for later.

The CMO proposal is much more complicated than expected, with the EP proposing a big package of amendments on market interventions.

Discussion

Birdlife: coupled support and investment support to more intensive productions are most harmful for the environment. What safeguards there are? The Council reduction of indicators is concerning, as these are needed for the performance-based model. If GAEC 9 excludes grassland (as proposed by the Council), 40% of the land is excluded (in Ireland, most land will be excluded). What is the COM thinking about this as it first said this should apply to all types of farms?

Copa: the ring-fencing for eco-schemes could have significant consequences on farmers' income. Thus, it is important to speak about incentive payments in order to make possible investing in new productive techniques and more sustainable way of producing. On the compliance and performance, we support the COM position on the need to move towards a more performance-based approach. If we have both, there will be no simplification of administrative burden for farmers.

Cogeca: on social conditionality: labour laws are a strict competence of MS. How would this fit in with the idea of imposing social conditionality under the CAP?

EEB: past investments and coupled support have had a negative impact. It is important to ensure safeguards for no harm to the environment from these payments as also proposed by EP. The number of indicators are not sufficient, there are clear links between MS indicators and targets and results. Result indicators on pesticides have been added by EP. It is important to better monitor the impact on biodiversity. Pollinators index suggested by EP is important and will be ready in 2023. There are some positive changes to indicators proposed by EP.

IFOAM: the possibility given to MS to adopt additional GAECs is really interesting. In art. 11, MS have to decide to set up proportionate and dissuasive penalties. Is that correct that cross-compliance continues to be applied? Eco-schemes are a good new element but if there are not sufficient applications, the budget can't be moved to the next year. If we want ambitious eco-schemes, we should not provide passive support for owing land.

FNCP: welcomes the extensive element under AECM. Supports the two-layer system. In what situation incentive payments can be used for eco-schemes and AECM?

ECVC: it is very important to have the mixture of grass and legumes and cereal and protein mixture in the parcel. There is a question on eligibility for aid. Eco-schemes: prairies and grassland do not provide the same service but there is an issue if rules are applied very strictly. On the CMO report, it is important to defend farmers' income in case of crisis. What position does the COM have on social aid?

The COM representative replied to the questions:

- Coupled support and investment safeguards: the COM wants CAP payments to be in line with the environment and has no objection to EP amendments. Any intervention in the Strategic Plans (annex XI) should not bring significant harm to the environment. There are still discussions on ring-fencing for green investments under rural development but this can bring in a lot of administrative burden, making the whole process complicated and rigid. On the number of indicators, the Council is reducing the number, mainly the result ones but not only. The COM considers that we should have an appropriate set of indicators which are meaningful and achieve a robust New Delivery Model. Some indicators are key to contribute to EGD and EU ambition on climate. A step forward are the context indicators which are added to Annex I. There are still discussions on some environmental indicators. Certain indicators could be accommodated, others are under discussion, it is important that they are useful and manageable. But good progress has been achieved on impact indicators and additional indicators proposed by EP. On GAEC 9, there is no discussion for now. It is important to make co-legislators understand its importance for biodiversity, non-productive elements are the most important to deliver on and this should be applicable to all agricultural land.

- eco-schemes are a good element to incentivize farmers to get additional income support for delivering public goods. MS will offer them, will come as a top-up. Greening was 30% of the envelope, therefore the COM does not see any impact on redistribution. The COM is against the two layer system and strongly defends the elements of the performance-based system. At the same time, the concerns of the EP could be eliminated by providing assurance that spending is done in a sound way while strengthening the role of several governance bodies or reinforcing certain provisions of certain articles, making clear for MS that they need to apply these elements. Also providing a clear number of indicators. The COM does not want a control of final beneficiaries.

- on social conditionality, the COM acknowledges the importance of this issue and has tried to identify the relevant directives and look at how transposition and implementation at MS level could be working, to be feasible and implementable to ensure a level-playing field and common elements. MS interpret these differently. The COM tries to be an honest broker in this discussion. The COM wants to see in which direction the co-legislators would like to go. During Covid-19, there many cases where rights of seasonal workers were not observed in the EU and they were presented by media. The COM suggested some options. Everybody agrees to discuss further, given the importance of the matter. The Council discussed in SCA several options and the possibility to combine options. Both co-legislators consider farm advisory service have a role to play but in different ways. A good number of MS are supporting this idea (FAS). Under rural development, there are possibilities to contribute to improving conditions for farmers and workers. The COM would like first to see what options the co-legislators will propose and then make a decision. The COM did not propose this in its 2018 proposal.

- on additional GAECs, conditionality is a baseline. If we allow MS to introduce additional GAECs, we need to ensure a level playing field.

- on proportional and dissuasive penalties system: the COM proposal was to give more freedom to MS in designing the control and penalties system while maintaining some limited elements from the current period. There are still discussions on this (part of the Horizontal regulation).

- on unused funds from eco-schemes, eco-schemes are a new instrument and farmers need to get used to it. There are fears there will be some difficulty with them, risking its allocation would return to the general budget given its annuality. It is not possible to move unused money to the second pillar within a year. There are a number of flexibility amendments on how to handle situations where unused funds should not be lost. The COM acknowledges this situation but rejects the idea of using it as simply topping up direct support, given that the environmental objective will be endangered. This should still go and contribute to the environment and climate.

- on incentives for eco-schemes – in the COM proposal, eco-schemes can be designed in two ways: compensating income foregone/additional cost or incentive top-up. MS can choose any of these as far as they are compatible with WTO rules.

- on mixing legumes and proteins, the COM recognises the benefit of such mixture for the environment, improving feedstuff situation. This is currently possible under greening, in future it should be possible under eco-schemes.

The COM hopes to have the CAP reform adopted soon. Stakeholders have an important role in preparing the CAP plans. The experience from the ground is important, as well as designing eco-schemes which make sense, contribute to the environment, climate and the performance approach.

b. CAP recommendations, F2F Targets-Introduction by T. Haniotis, Director AGRI.C-Presentation by G. Schilthuis, HoU AGRI.C1 and P.Di Rubbo, AGRI.C1 - Questions and answers

The COM representative gave a presentation which can be found on CIRCABC. The recommendations are based on facts which are publicly available. The real test will be when the Strategic Plans are developed and concrete priorities are set. The discussion should not be whether the EGD targets are binding or not binding, but on the challenges identified based of SWOT and needs analysis and what can be done to improve the situation.

The recommendations were released after six months following the date of publication of the Farm to Fork Strategy, accompanied by an umbrella communication. They were translated in the languages of each MS. They are based on evidence, ensuring a balance between different dimensions of sustainability and respecting the different starting point for each MS. They are in full respect of the subsidiarity principle. The COM does not impose targets on MS because MS determine them based on their needs.

Recommendations consist of an analytical part and a policy part, in which the COM has opted for a strategic approach, with on average 15 recommendations / MS. Out of the 402 recommendations, the largest share is represented by environment/ climate but also social/societal/health aspects. Direct support, producer cooperation, climate mitigation and climate adaptation, synergies EU and national funds are among the issues highlighted. There are 27 recommendations on biodiversity and landscape features. 14 MS received recommendations on antimicrobials, as a good number of MS have already

their decreased use. 23 MS have received recommendations with regard to the target on organic farming.

The communication accompanying the recommendations underlines the importance for MS to involve stakeholders in drafting the CAP Strategic Plans.

The recommendations focus on the nine specific objectives of the future CAP, all of which have implicit and explicit links to EGD target. The weight given to achieving these objectives is not the same. It is not the individual targets that are important but the interlinkages. You can achieve different targets by several interventions. If action is on land management scheme, it is important to increase the level of ambition throughout the agricultural area. They should not focus on isolated interventions but capture the bigger picture.

MS are invited to establish their own targets for Green Deal objectives, to translate EU targets into national values. These national targets are important, as they determine the strategic focus of the Strategic Plans. The COM will assess and aggregate these – where possible - to see if they meet EU objectives. On data/data requirements and indicators, it is important to reduce the additional burden and to maximise the use of data which already exists without going to farm level more than once. The COM will, based on that, assess the performance of the policy as regards all nine specific objectives.

3) Preparation of the CAP National Strategic Plans

a. Introduction by R. Ramon, Deputy HoU AGRI.C1 and A. Bartovic, HoU AGRI.F2

The COM representative underlined that all MS are advancing even without the final legal framework, which should be ready before summer. CAP Strategic Plans have to be delivered by the end of the year.

The COM is very much committed to the partnership principle, it is important that the CAP Strategic Plans are prepared in collaboration with stakeholders. In the umbrella communication accompanying the recommendations, the partnership principle is reinforced. Art. 94 is not yet adopted, being difficult to enforce something that is not yet adopted. But both co-legislators kept this article. Therefore the COM urges all MS to act accordingly. Last year, some MS have not yet launched the dialogue. The COM is committed to monitor this. There are no specific rules on how MS should do that. European Code of Conduct on Partnership is recommended, with the objective to have the same big parameters the COM has for other EU funds.

b. Participation of Stakeholders and Civil Society in the design of CAP Strategic Plans –feedback from CDG members–all CDG Members are invited to prepare a 1-minute (max) contribution that responds to the following questions: 1) are you involved at national level in the preparation of the CAP Strategic Plan? 2) If yes, how are you involved and how have you contributed so far? During the meeting, CDG members will have the opportunity to express their contributions and participate to the exchange of views.

IFOAM/Germany: involved in drawing up the German plan. In Germany due to national elections in autumn, the proposal will be presented quickly for first reading. It is more of a pro-forma participation. Once trilogues are completed, there will be a hearing.

CEETAR/Italy: In Italy, consultations are carried out on two levels, national and regional level. Exchanges of views have already taken place. But the partnership is not yet activated. At regional level, some are more advanced than others.

ECVC: will forward the info to COM. In Spain, France, Ireland, Croatia, this works but in Finland, experts from ecological and organic organisations are not allowed to participate at all.

Beelife: variable situation. Beekeepers have proposals for the more general issues and regret they are not involved on those as well.

CEJA: in some countries, young farmers' organisations are not informed. This Explanation: the Covid-19 restrictions. In Slovenia, some involvement has taken place but without any concrete results.

COPA/Austria: in Austria, it is working very well. The Agriculture Ministry has organized 14 working groups, with a balanced distribution.

IFOAM/Denmark: there is no involvement in Denmark, no consultation. They wait for the decision on how the Danish system would deliver.

COPA/Denmark: there are official hearings organized by the Ministry but also political negotiations on how to design the future set-up of the CAP. This is difficult without knowing the final agreement.

COGECA/Latvia: farmers are involved in the process of developing the Strategic Plans. Because of Covid-19 restrictions, discussions between different actors are not so effective. Worked fast, the first round of discussion took place last spring, another one late autumn. In May, another round of discussion is foreseen. Discussions take place in different working groups. Discussions and agreements are not easy.

COPA/Sweden: discussions with government have started. Because of IT problems, it is not possible to present the best eco-schemes by 2023. Late payments for farmers should be avoided because of the IT system.

Birdlife: involved in one way or another, however, this does not mean we are effectively involved. In many cases, this is just a formal exercise, without knowing how much will be taken on board. Shortcomings: can't comment on overall picture only on some technical elements. What channels would stakeholders have to raise issues with COM in case MS do not follow the process?

FDE-FEFAC/Portugal: animal nutrition and the resilience of the EU feed and food system have a role to play in the CAP. Why has the COM refused an Impact Assessment on the Farm to Fork?

COPA/ The Czech republic: 21 working groups were put in place but we have not seen the intervention strategy as such so we do not have the overall picture.

COGECA/Romania: involved in developing the SWOT and needs analysis. Nine working parties have been put in place, there have been online meetings because of Covid-19 restrictions.

The COM representative: input is much appreciated. The Commission invited those participants that did not have the possibility to intervene, to send their contributions by email. There is no formal institutionalized channel because the Regulation is not yet adopted, and the COM cannot prescribe how this needs to be organized at national level, as each MS has its internal mechanism to adopt the CAP Strategic Plan, but it is important that the big principles of stakeholders' involvement are respected. There is a strong commitment from the COM to monitor and check that this is well respected.

4) Contribution of the CAP to the achievement of the F2F Targets on pesticides

a. MS experience – presentation by Sweden

The Swedish Government representative (Ministry of Enterprise and Innovation) gave a presentation which can be found on Circabc.

Sweden leads in sustainable use of pesticides. Sweden has already decreased index by 44% since 2011 (by reducing risk not so much by reducing kg). There is a National strategy for sustainable use of pesticides since 1986, with different goals. The current strategy is focused on reducing risk for the environment, workers etc. If somebody wants to use pesticides, it needs to be authorised. IPM methods are widely used. Main purpose of the CAP: facilitate education, advisory service, not protection action in the field. The Swedish position on EGD and CAP is to support ambition towards more sustainable agriculture in line with the EGD. However, there is a need for further discussion and analysis to ensure equal conditions. Needs can be met within CAP or outside CAP.

b. Stakeholders' feedback, followed by an exchange of views.

European organisations are invited to prepare a 3-minute (max) contribution with their preliminary remarks on the CAP contribution to achieve the F2F targets on pesticides use and risk reduction and to contribute to the exchange of views during the meeting.

The COM representative gave a presentation which can be found on Circabc. There are six relevant EGD targets (pesticides, organic, high-diversity, landscape feature, broadband, antimicrobials, nutrient losses and fertilisers) which are reflected in the CAP and more particularly in the COM Communication on recommendations to the Member States as regards their future CAP's Strategic Plans. Annex I of this Communication sets the baseline at EU level and per each MS. In the area of pesticides, there are two targets. One aims at reducing by 50% the risk and use of pesticides by 2030 and the second one aims at reducing by 50% the use of more hazardous pesticides by 2030. The first target is based on the harmonized risk indicator 1 (HRI 1) methodology, which is already used by Member States with their reporting obligations to the EU. This is mostly a risk indicator, as it does not reflect the use of pesticides. HRI 1 has already declined by 17% since in the period 2011-2018, but there are still efforts to be made to achieve the EU target. Concerning the second target, much more efforts need to be made as there has been increasing use of these hazardous substances at EU level. Moreover, values expressing the actual situation at MS level have not been published in the Annex I of the COM

Communication on the CAP's recommendations for reasons of confidentiality. The plan is to review the pesticides statistical data in order to address this point and make the data on use of hazardous pesticides available across MS when assessing the Strategic Plans submitted by MS. For both Targets, MS have been invited to define, under their Strategic Plans, a national value to be achieved by 2030 as their contribution to the achievement of the EU targets. It is up to MS to fix ambitious targets at national level, taking into account their national situation, and link this effort to the Farm to Fork Strategy. Concerning the second target on hazardous pesticides (also known as candidates for substitutions), Member States have been invited to express their national target in Kg, while at EU level, the target will be presented as index, as for HRI 1, and will also help to monitor the overall progress. MS have to make use of the available information at national level (a good amount of data available), as well as addressing the Commission's recommendations while taking into account the SWOT and needs analysis carried out by each MS.

COGECA representative gave a presentation which can be found on CIRCABC.

- Farmers are already complying with the Directive on the Sustainable Use of Pesticides which is part of CAP conditionality;
- Need of an Impact Assessment when setting up targets, which should reflect all three pillars of sustainability;
- Withdrawing active substances from the market, without viable alternatives, has an impact on agriculture;
- Low-risk active substances and biocontrol technologies are far from being a reality;
- Sustainable, safe and effective alternatives in the EU farmers' toolbox, based on latest scientific progress;
- Synergies between sectors and players in the value chains are needed;
- A combination of solutions: biocontrol technologies, innovative agronomic practices, digitalisation, resilient varieties or research into new agricultural markets;
- Various agricultural practices can help but pesticides remain a key element of Integrated Pest Management.
- The CAP Strategic Plans Regulation has a great potential to contribute to an optimization of the use of plant protection products, especially with interventions under Art. 28 (eco-schemes) and Art. 65 (AECM) as well as under Art. 13 (farm advisory service).
- A much wider array of measures and contributions outside of CAP must be implemented, as the CAP cannot achieve these targets all alone. For example, innovative ways to protect harvests from pests and diseases need to be developed, new plant breeding techniques revalued and consumers sensitized for the need of a higher willingness to pay for more sustainable produced food. Last but not least

the Commission has to carry out a comprehensive impact assessment as well as implement the same reduction targets in future as well as existing trade agreements.

The other speaker had connection problems.

The Chair expressed his regrets that some participants were not able to contribute.

5) AOB

4. Next meeting

The Commission informed that an *ad-hoc* meeting might be organised to discuss two recent JRC studies on "The agricultural land market regulations in the EU Member States" and "The capitalization of CAP subsidies in land prices". Further details to come.

5. 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

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on Friday 19 March 2021 from 09:00 to 13:00

| MEMBER ORGANISATION | NUMBER OF PERSONS |
|--|-------------------|
| Bee Life-European Beekeeping Coordination (Bee Life) | 1 |
| Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles, Ruraux et Forestiers/European Organisation of Agricultural, Rural and Forestry Contractors (CEETTAR) | 1 |
| Confédération Européenne de la Production de Maïs (C.E.P.M) | 2 |
| Euromontana (Euromontana) | 2 |
| European agri-cooperatives (COGECA) | 7 |
| European Agroforestry Federation (EURAF) | 2 |
| European Coordination Via Campesina (ECVC) | 2 |
| European Council of Young farmers (CEJA) | 7 |
| European Environmental Bureau (EEB) | 3 |
| European farmers (COPA) | 6 |
| European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) | 4 |
| European Forum on Nature Conservation and Pastoralism (EFNCP) | 1 |
| European Landowners' Organization asbl (ELO asbl) | 6 |
| European Liaison Committee for Agriculture and agri-food trade (CELCAA) | 4 |
| European Milk Board (EMB) | 1 |
| FoodDrinkEurope (FoodDrinkEurope) | 5 |
| Greenpeace European Unit | 1 |
| IFOAM Organics Europe | 3 |

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| Pesticide Action Network Europe (PAN Europe) | 1 |
| Joint Secretariat of Agricultural Trade Associations (SACAR) | 1 |
| SMEUnited | 1 |
| Stichting BirdLife Europe (BirdLife Europe) | 2 |
| WWF European Policy Programme (WWF EPO) | 1 |
| Ministry of Enterprise and Innovation, Sweden (speaker) | 1 |