

# **STRATEGIC AGENDA OF THE CIVIL DIALOGUE GROUP ON “DIRECT PAYMENTS AND GREENING” FOR 2014/2020<sup>1</sup>**

## **I. Scope of the group**

- Regulation (EU) No 1307/2013 establishes the rules for direct payments to farmers. It will apply from 1<sup>st</sup> January 2015.
- Direct payments, together with the Common Organisation of the Markets, constitute the first Pillar of the Common Agricultural Policy (CAP). These payments are granted directly to farmers under certain support schemes which, with the exception of the voluntary coupled support, are not linked to the production decisions of the farmers.
- In particular, “greening” attempts to improve the uptake of agricultural practices beneficial for the climate and the environment.
- Regulation (EU) No 1306/2013 on the financing, management and monitoring of the CAP establishes rules on the Integrated Administration and Control System (IACS), controls and penalties as well as cross-compliance. A Farm Advisory System (FAS) helps farmers better understand and meet the EU rules covered by cross-compliance and greening.
- Cross-compliance ensures that direct payments are tied to standards on environment and climate change, public/animal/plant health and animal welfare.
- The specific role of this Civil Dialogue Group will be to assist the Commission in maintaining a regular dialogue on all matters related to direct payments and greening including cross-compliance taking into account the relationship with relevant rural development measures.
- The Group will also provide and receive inputs to and from other Civil Dialogue Groups, “CAP”, “rural development” and “environment and climate change” in particular.
- The Commission should regularly report to the Civil Dialogue how the outcomes of each meeting are being used to inform relevant policy processes.

## **II. Strategic agenda**

### **a. Current period**

- The reform of the CAP, which was agreed in 2013, significantly changed the rules, the structure and the distribution of direct payments across farmers. The reform will fully apply as from 2015.
- Therefore, in the short term, this Civil Dialogue Group should focus on understanding and clarifying the new rules as well as analysing the implementation of the new direct payment schemes.

---

<sup>1</sup> This strategic agenda will be revised in order to take into account policy developments and in any case at the latest in 2017.

- Once sufficient experience and data on the implementation of the new direct payments schemes are available, the group will examine the effectiveness of the measures in reaching the policy objectives and lay the basis for the debate on future development of direct payments.

➤ Direct payments

- The group will look at the implementation of the principles and rules governing direct support (e.g. convergence of direct payments, eligibility and definitions, active farmer, minimum maintenance and management, etc.) and the implications at EU level for achieving policy objectives.
- The new direct payment system will be made up of seven different payment schemes: redistributive payment, coupled support, young farmer scheme etc. The group will look into how direct payments will be implemented in different Member States (both measures and funding) and the implications at EU level.
- Generational renewal is one of the problems that agriculture is facing. Encourage youth to enter into the sector is of utmost importance, particularly considering that agriculture has been placed under the Jobs, Growth, Investment and Competitiveness priority of the new Commission. The group will discuss how to maximise the efficiency of the young farmer support under Pillar 1, while also considering tools under Pillar 2.
- The group will contribute to the simplification exercise in the area of direct payments and greening, promoted by the new Commissioner for agriculture. The group will identify the most burdensome rules and put forward concrete solutions to cut red tape and make the rules more transparent, while respecting the policy objectives and taking into account the diversity of EU agriculture.

➤ Greening

- The group will look into how greening will be implemented in different Member States and the implications at EU level on the level-playing field, the administrative burden and the environmental benefits and contribution to overall farm sustainability.
- The group will contribute to the evaluation of the experience with the implementation of the obligations on Ecological Focus Areas (EFA), after the first year of application, as well as the evaluation report of EFA due by 31 March 2017.
- The group will identify good implementation and possible problematic elements in order to propose solutions. For instance, the group will look at the interface between the EFA measure and Rural Development measures, with a view to maximise the environmental effect (including on bees) and the clarity of rules for the farmers. The group will also analyse the implementation and effectiveness of measures for protection of grassland, also outside Natura 2000 areas, and possible eligibility issues.
- The group will look at win-win solutions which provide environmental and climate change benefits that can support the economic and social viability of farmers and rural areas. Successful initiatives at national and local level, which combine different objectives will be presented.

➤ Cross compliance and controls

- The group will look into the implementation of cross compliance – including its links to greening and the state of play of the Water Framework Directive and the Sustainable Use Directive.
- The group will analyse the functioning of the FAS, the set-up of early warning systems and the application of controls and sanctions.

**b. Future developments**

- One of the main concerns of this Civil Dialogue Group in the next years should be focussing on future developments of direct payments in accordance with agriculture's contribution to the sustainability objectives of the Common Agricultural Policy – economic, environmental and social.
- Worldwide increasing agricultural productivity is promoted and needed. How to encourage competitiveness, innovation, technological progress and investments in the agricultural sector? How to integrate sustainability goals into the support of the farmers, especially direct payments after 2020? In particular, the group will debate on the way agriculture and agro-forestry can achieve food security and competitiveness, jobs and growth, sustainable development, environmental quality, energy efficiency and emissions reductions and the well-being of our rural areas.

---

DRAFT