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## **FINAL MINUTES**

### *Meeting of the Civil Dialogue Group Rural Development 7 February 2020*

Chair: Mr Peter PASCHER (COPA)

Organisations present: All Organisations were present, except APURE, Birdlife Europe, ECPA, EFNCP, FoodDrinkEurope, FurEurope.

#### **1. Approval of the agenda**

Agenda was adopted.

#### **2. Nature of the meeting**

The meeting was **non-public**.

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

##### **1. Adoption of the Agenda (5 min)**

Chair opened the meeting and welcomed the participants.

Agenda was adopted.

##### **2. Future CAP (60 - 90 min)**

###### **a. Update on the legislative process in the Parliament and in the Council including an update on the new green architecture.**

Commission gave a presentation.

WWF asked about the extra measures in RD proposed in the EP report and where could they fit if not mentioned specifically. Also asked on article 65 and whether animal welfare could fit there, or whether it would be excluded? Is there any issues with any other measures in RD?

ECVC asked about the timing of the future CAP and the need of the transition period. Expressed concerns on making everything on time, proposed to have rather 2 years.

Asked about the review of the ANC. On the definition of genuine farmer, what is taking place there? Wondered about the developments in MS on CAP SP. Wondered about the small farmers scheme and lack of ambition.

SME United wondered about the debate on LEADER. Mentioned citizen conference and the issue of partnership. What are the developments on this in the Council?

Commission answered that:

- for women in rural areas, this could fit in investment, in cooperation or in business development. The COM prefers not to list the whole scope of interventions, it is already possible anyway, and leaves more flexibility.
- On the animal welfare, a strict environmental focus of article 65 would exclude animal welfare (which does not qualify as an “environmental” measure).
- it strongly wills to go with one year transition period. We still have window of opportunity to make it happen. On the MFF, this is more followed by other services.
- On the review of ANC, this is requested by MS in Council discussions
- On the genuine farmer, MS support that it should be voluntary, and the proposal from Council for the definition is quite vague as opposed to COM proposal.
- SWOT in the MS are progressing quite well, there will be a workshop on 12 FEB where MS will exchange.
- On LEADER, there were only small amendments made so far, they will have to respect the negative list for investments, but otherwise have a lot of flexibility.
- On the CPR and the partnership principle, there is a similar article in the CAP proposal, the principle of involving stakeholders.
- On the small farmers, there are many possibilities to continue supporting them in the same way as today.

Chair mentioned the transition rules and on the 20th Feb there will be a special Council on the MFF. What will happen if there is no agreement?

IFOAM asked about the eco-scheme, they are glad that farmers have this possibility. How will MS check the ambition of MS on the eco-schemes? Will farmers be supported in their transition?

RED asked about the involvement of citizens in CAP, policymaking in general. The LEADER is important for the visibility of benefits. How do we make sure that everyone understands what the results are?

COPA asked about eco schemes and transition

COPA wondered about the process. It is difficult to explain it to businesses. They need clarity.

COPA asked about the active farmer definition and the need of farmers to fulfil. The omnibus definition will fit them best.

COPA asked about the active farmer definition. The specificities of regions should be taken into account. The commitments of farmers should be well rewarded. As for LEADER, this should be left to MS.

ELARD asked about the definition of Rural Area – the area where the RDP can be implemented.

COM answered that:

- the indicators are very important and should be formulated and used in a way that general public would understand. The COM would be able to communicate based on this.
- The involvement of citizen is foreseen, also for the vision for rural areas, it will be consulted with people living in rural areas. The partnership principle is also part of the process of CAP Plan preparation.
- Eco-schemes and risk of unspent funds: The MS will not prepare things from scratch, they already know what can be included (experience with agri-environment notably). They could also play with the concept of incentive. In case of more risky and new schemes, they can always use AECM which work with multi-annual funds. In case the funds are not spent under an eco-scheme, funds can be used under other direct payment interventions, within certain limits. For the list of eco-schemes, COM proposal doesn't foresee to have a menu of choices.
- In the COM proposal the animal welfare falls under AECM.
- Genuine farmers should apply to both Pillars. There is not threshold foreseen in the COM proposal as regards part-time farming, only *insignificant* income from agriculture would be a criteria for exclusion.
- There can be regional interventions, but in a single CAP plan.
- The definition of small farmer will be on MS level, targeting development of small farms.
- COM is working on definition on Rural Area, but this will not be ready for the coming CAP. The definition of business development in rural areas, this again will be defined by MS, but clearly targeting rural areas.

CEETAR asked about the national SP, how will the EGD interfere in that.

CELCAA asked about the impact of lower MFF budget on the income of farmers and their viability. Innovation is hindered on the lack of broadband.

COGECA asked about the new green architecture. The requirements for farmers are increasing, the ambition should be aiming more on second Pillar. The carry over of budget is worrisome. The discussion on national level concerned on indicators might not be taken into account on EU level.

CEJA asked about the simplification of CAP, young people are worried whether this will actually happen. When will the broadband coverage happen in rural areas? The MS have decision making power, but CAP is EU based and not viewed in a positive light.

COM answered on how will EGD impact the CAP SP. It will influence our will to deliver more. They currently work based on the COM proposal. The broadband,

young farmers could be addressed in the afternoon. Green architecture should allow to MS to better adapt their measures based on their national situation, no size fits all.

Chair thanked the COM. He summarized that there is a need to continue this discussion on the way for a future-oriented CAP after 2020. Many open questions are depending on the new MFF. The CDG on RD is required to continue the discussion, as soon as a decision about the new MFF has been made. This could be also before summer break.

## **b. Transition rules – RD implementation**

COM delivered a presentation.

COPA asked about the prolongation of RDP in case of lack of money, what will the criteria be? Could we have automatic extension?

COPA asked about the length of transition, it should be rather 2 years, the extension should be automatic.

COPA asked about the long term commitments in AEEM. Will there be possibility to prolong the measures from previous period? How will the new rules impact the current measures?

COM answered on the extension of RDPs: MS will notify COM about their intention to extend the programme, and COM will inform MS in case it considers the extension not justified. There will be no COM approval, MS have the ownership of their own budget. No specific criteria will be set, there is no intention to be restrictive. . The decision not to extend further the commitments was to incentivize MS to switch to CAP Plans as soon as possible. Longer commitments under RDPs would lead to delayed implementation of the new delivery model. New commitments can only be taken for one to three years.

COPA spoke about the N+3 rule, will this be adjusted, the regions need to be kept informed on that.

ECVC expressed some confusion on the transition and the extension of RDP? How will the N+3 rule impact the spill-over of the budget? Is there a proposal to limit the rule of financial allocations? On the extension, do MS have to present a plan to extend?

ELO asked about the extension and how will the financial allocations work.

ELARD asked about using the new money, only if this is the old (present) budget is hundred percent used. LEADER groups might be able to join CLLD/multi-funding – can they do this when their programme is not ready (and the other funds start)?

IFOAM asked about continuity of the programme. In France there are many transitions to organic, but the COM proposal is blocking this ambition. When will we be able to put forward new measures?

COPA asked about the AECM. Some farmers might be out of these schemes for a long time, can it be open to new entrants?

RED asked about the financial contribution from the MS and the synergies between funds.

COM answered that the N+3 rule applies to the budget of the current programmes, and will apply to the programmes extended in 2021 as well. As regards the approval of the transitional regulation, the Council aims to achieve a partial general agreement in March, and to approve the regulation by the summer break. New entrants can benefit of the possibility to sign commitments up to three years. New money can be used only if old money run out. These rules are already included in the regulation. As regards organic production, if MS want, they may support conversion in the current RDPs and maintenance through an intervention in the CAP Plans.

COM answered on the financial allocations, new AECM can be signed up for throughout the transition, but COM hopes that MS start as soon as possible with new rules. For CLLD and multi-strategy will depend on the CPR already existing. There will be reference to new rules. For the rural networks, they will function during transition, some contracts might have to be amended.

Chair said that is not easy to understand the transition rules.

ECVC asked about the extension of rules for extended programmes.

COM answered that some deadlines need to be prolonged to take into account the programme extension (please also refer to the presentation). In terms of eligibility of expenditure, the N+3 rule applies to the 2021 budget, therefore the deadline for eligibility of 2021 allocation is 31 December 2024.

COPA asked about the genuine transition of the budget.

COM answered that until the eligibility of the expenditure runs out, MS can sign new commitments.

Chair concluded that there is an interesting discussion about several important questions for the practise. Some of them are depending on the MFF. But most of the issues need to be well understood. Therefore the chair concluded the discussion with the request to the Commission to develop some kind of FAQs concerning the transition rules.

### **3. *Developments on the CAP network following the General Assembly of the rural networks***

Chair opened the discussion and presented the current state of play on the networking, the outcomes from the Rural assembly.

RED highlighted to send questions on what will happen with CDGs in the near future. It is important that these meetings are continued. This group needs to continue

to exist. Addressed the number of participants per organization. We can send important message on the CAP network.

Euromontana agrees with RED, also worried about the future of the meetings, explanation of the difficulty of setting up the steering group and the assembly, there is in their mind no longer enthusiasm. Complicated relationships are seen between CDG RD and Steering group. We should have some more clarity. We could come up with some suggestions.

COPA stressed the need of the CDG for Pillar II even in coming years. We need to have more clarity on the different groups and sub groups. The rural communities and their needs should be addressed through networking.

COPA stressed that these meetings should be about decision making, not only discussing without any clear output. Wonders about the usefulness of the rural assembly.

COPA asked about the role of the CAP networks, if they will report on the progress on the CAP Plans, we need to have clarity who is represented in the rural assembly.

RED stressed that these groups should not only be about exchanging opinions and make decisions. We need to streamline the meetings and make them more coherent.

CELCAA supported previous statements. Without farmers there are no rural areas.

IFOAM stressed that we need to make differences between the different types of farming.

COPA said that it is very important to have a dialogue, crucial for Croatia as a new MS. They made a concept of CDG also inside their organisation in Croatia, very useful for them. Appreciated the possibility to take part in the CDGs.

Chair stressed the need for communication for developing Europe generally and for European Rural Policy in particular. We shouldn't come up only with concerns, we should give positive messages which are showing the way in the future. Therefore he promises that the chairmanship will come up with suggestions which should be discussed on the next meeting on the CDG on RD. These suggestions are concerning the future role of the CDG and her relationship to the foreseen CAP-network as well the issues how this CAP-network should be organized.

#### **4. *Priorities of the new European Commission – European Green Deal, with view on the RD aspects (120 min or more)***

- **Communication on the Green Deal**
- **Farm to fork strategy**

COM gave a presentation

Euromontana asked about the different strategies under the EGD, wondered about the legislation details.

ECVC asked whether the COM will incorporate the things from EGD in the CAP post 2020 proposal. Expressed concerns on small farms not being mentioned. Dangerous trend. Too much focus on production side, too little focus on marketing products. A flexible approach should be taken.

EMB asked whether consumers will actually want to pay more for their produce, how does climate change play into cost of production. There is not a big market for organic milk, the lack of price for organic milk is just as same as for conventional farmer.

COPA wondered about the stakeholder consultation and how this will be structured. Appreciated the graph on the decrease of emissions from agriculture. We should not start from zero. Hesitant on organic, the consumption in Sweden is decreasing. We need to have a real demand for organic food if we want to keep up the production.

IFOAM explained a bit on the organic. They created the market themselves, raised the awareness amongst consumers. They are willing to pay more if it goes to farmer. We should not focus on the market driven approach. It is more the question of means and support.

COPA stressed that environmental standards need to be kept up at same level across MS and between countries, we need to also keep up with social sustainability. The transparency in the food chain should be uphold, promote short chains.

COM answered on the legal integration between CAP post 2020 and EGD. They do not have details. They are doing analysis. The EGD is fully compatible with COM proposal. They are not going to amend. This reform is different from the previous reforms. We do not discuss about the details anymore, these will be designed by MS. The targets will have to be met by CAP SP. The EGD will be designed in a way that the reality of small farmers will be taken on board. The position of farmers will need to be strengthened. We need to improve the quality of information provided to the consumers. Some consumers are up for paying more for the produce, but not all. We already have good examples on the reduction of GHG emissions. Farmers should make most from innovative approaches. F2F will be adopted on 25 March.

CEJA welcomes the EGD, the focus on innovation. The focus on generational renewal is not obvious from the presentation on EGD. How will stakeholder dialogue go down? How will young farmers be able to participate. The EGD is going very fast. Many farmers are in the middle of contributing to CAP SP. How will public consultation go down?

COPA is worried about the implementation of the EGD, most particular due to vast differences amongst MS and regions. Digitalisation might mean that people will leave mountaneous areas. There are more types of farming beyond organic we can focus on.

COPA stresses that EGD should be seen as opportunity. Farmers need to be on board, they need to be rewarded for their services. Where does the JTF fall in the MFF? Slaughtering should take place close to production, not consumption. The growth in organic needs to be market driven.

RED stressed that we are doing things other way around when it comes to strategy implementation and the budget. Subsidiarity needs to be brought into light. Competition rules should involve national characteristics. As transport will be one of the focuses, does it also involve state aid rules

COPA supported CEJA in saying that it is hard to follow all the on going initiatives. We need science based decisions.

COPA stressed that we need proper analysis of the situation. Asked about the reduction of inputs in farming? Organic is not the only sustainable method in agriculture, and should not be viewed so. There are many other types of sustainable, such as precision agriculture, integrated production.

EEB asked about the relationship between CAP and EGD. We are in very urgent situation when it comes to biodiversity loss, erosion, climate change. Wonders if we would need clear concrete legally binding targets across EU to make sure EGD works.

CEETAR stresses that we need to create a level playing field.

WWF asked about the timeline of the different strategies under EGD.

COPA worries that EGD might a beginning of an end for some farmers. Wonders if consumers would actually be willing paying more for food. Farmers are always asked to do more and more, wonders who will actually produce food in EU in the end.

COPA highlights that EGD might impose conditions on the market. He would expect a more liberal approach.

COM does not think that the reduction of pesticides would impact market driven CAP. For beef producers, the COM is aware of the challenges, but believes that modernisation is the key. On the timeline of the action plan, we need to get it right and also focus on sustainability. State aid will play a role in the update of competition rules. Recognize that there are other ways to be sustainable. They are exploring the benefits of integrated farming. We still have to see how we will integrate the targets. We would need to ingrate EU and national targets. The COM already has plenty of analysis to develop them properly. Stakeholders indeed need to be included in the design of the CAP SP. Understand the fatigue from too many consultations, but it is better have open possibilities, rather than no options. In the EGD there will be many instruments and tools. Agriculture creates jobs through the whole food chain. They will follow the market. They don't know yet how will the consultation on the EGD go down, more clear after 25 March.

The Chair concluded that although the European Green Deal is unlikely to affect the CAP proposals 2021-2027 much, new challenges are facing citizens. One element where the Deal will show his first performance will be the National CAP-Strategy Plans.

### **Green deal from the financial instruments point of view**

COM gave a presentation on the financial instruments of the EGD



COPA stressed the potential of financial instruments, for example for young farmers, but we need to raise awareness. Farmers are ready for the instruments, but separating it from ERDF will create more problems rather than solve anything.

CEJA highlighted the positive role of financial instruments for young farmers. The implementation of the EIB bank loan has been very hard to promote, to banks and to young farmers. We need more visibility. The JTF is a good opportunity for rural areas.

ECVC explained that for small farmers there will be less opportunities in the coming period.

COPA said that the new instruments are interesting. The size of farms sometime make it difficult to get credit. We need more awareness raising about these different options.

COM answered that they prepared guidance documents for MS, they have websites, videos, try to promote this as much as they can. Banks perceive agriculture sector as risky. It is not about replacing grants, in some sectors these are the best choice. MS will have different tools, a possibility to mix them. Agroforestry system are eligible for aid under the current and future system. On the micro financing, the main coordination is done by DG EMPLOY.

There will not be additional budget, it is part of CAP SP. This is true for financial instruments under EAFRD. The InvestEU and other tools, national, EIB are outside of the CAP. They incentivize MS to use these options.

RED asked about the financial instruments and conditionality rules. Can we use financial instruments also for other rural actors than just farmers?

COM answered that yes you can – for forestry sector etc, it is not linked to a certain type of beneficiary. Want to have more interplay between grants and financial instruments.

RED asked again about financing of innovation. Can the local commune benefit from the financial instruments?

COM answered that this is indeed value added of the financial instruments, not only national funding but also funds from banks. Banks are more risk adverse, through the instruments we can take some of the risks on ourselves.

Chair summarized the discussion that the provision of financial instruments is heading in the right direction, its utilization depends on the national financial conditions and on the question of alternatives.

## **5. Long term vision of rural areas (including demography strategy) (30 min)**

Under the leadership of Commission Vice-President Dubravka Šuica, responsible for democracy and demography, the Commissioner responsible for Agriculture, in collaboration with the Commissioner for Cohesion and reform, will develop a long-term vision for rural areas.

COPA stressed the urgent need to really address rural areas, hopes to work together with the new Croatian commissioner. The problem is how to create new jobs in rural areas. The main reason that people leave is that they don't have a job. There are two sides – urban and rural.

COPA said that they have been waiting for a long time for the strategy for rural areas. When we speak about more innovative agriculture, this is not the answer to all the needs to rural areas. The Cohesion fund is not enough on its own, we need to look at synergies between funds. Concrete solutions have not been provided, we need to say how things are to be done

CEJA indeed said that young people have been waiting for this a long time. On behalf of the rural youth, the synergies are really important, also on the Erasmus. We need to look at local initiatives. Young people suffer from lack of opportunity and not enough attention on national level

Eurogites also welcomes the strategy on rural areas. We need to find a way to achieve comfortable way of living in rural areas. We need to market rural areas, they are now synonym of poverty.

Prepare also welcomed a rural agenda. Wants to develop it together with the civil society. We need to take local people in account, also asked about the time frame.

COM confirmed that it is on the same line with many of the opinions expressed by members of the CDG. COM is still reflecting what form it will take, there are several possibilities. The timing is important, as the vision could have certain influence on the 2021-2027 CAP and cohesion programmes. At the same time, this should be a bottom up exercise on which we need a meaningful consultation with stakeholders and regional and local authorities. COM expects the contribution from CDG members to be a valuable input for the vision. It should not be a top down vision. Member States will have also an important role to play to contribute to implement the vision, and overall to undertake actions under their responsibility in the benefit of rural areas.

The chair sees in the discussion a strong support for developing such long-term vision of rural areas. The CDG on RD would address this topic in the future meetings.

## **6. AOB**

Nothing was discussed under this point

Chair closed the meeting, thanked everyone.

## **4. Conclusions/recommendations/opinions** (see conclusions below each agenda point)

## **5. Next steps**

## **6. Next meeting**

Next meeting is taking place on 20 November 2020

## **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

*Meeting of the Civil Dialogue Group Rural Development*

*7 February 2020*

MEMBER ORGANISATION	NUMBER OF PERSONS
Association des régions européennes des produits d'origine (AREPO)	1
Association for the European Rural Universities (APURE)	---
Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles, Ruraux et Forestiers (CEETTAR)	1
Confédération Européenne des Propriétaires Forestiers (CEPF)	1
Euromontana (Euromontana)	1
EuropaBio	1
European agri-cooperatives (COGECA)	9
European Agroforestry Federation (EURAF)	1
European Coordination Via Campesina (ECVC)	1
European Council of Young farmers (CEJA)	2
European Crop Protection Association (ECPA)	---
European Environmental Bureau (EEB)	1
European farmers (COPA)	9 + 1 note-taker
European Federation of Rural Tourism (Eurogites)	1
European Forum on Nature Conservation and Pastoralism (EFNCP)	---
European Fur Breeders' Association (Fur Europe)	---
European Landowners' Organization asbl (ELO asbl)	2
European LEADER Association for Rural Development (ELARD)	1
European Liaison Committee for Agriculture and agri-food trade	3

(CELCAA)	
European Milk Board (EMB)	1
European Rural Community Alliance (ERCA)	1
FoodDrinkEurope (FoodDrinkEurope)	---
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	2
Pesticide Action Network Europe (PAN Europe)	1
PREPARE Partnership for Rural Europe (PREPARE)	1
Ruralité-Environnement-Développement (RED)	1
SMEUnited	1
Stichting BirdLife Europe (BirdLife Europe)	---
WWF European Policy Programme (WWF EPO)	2
COMMITTEE OF THE REGIONS	1 observer