

Brussels,

FINAL MINUTES

Meeting of the Civil Dialogue Group “Rural Development”

Date: 11 February 2021

Chair: Mr Dominique FAYEL (EUROMONTANA)

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

1. Approval of the agenda

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

3.1. Presentation by the Commission: State of play of the CAP post 2020 negotiations with a focus on the green architecture - links between Eco-schemes and AECMC.

Mr. Bruno Chauvin, Head of Unit AGRI D2 gave a presentation on CAP post 2020 negotiations that is available on CIRCABC. He focused on green architecture and especially on the main differences in the positions of the Council and of the European Parliament in the current negotiations regarding eco-schemes (on ring-fencing /flexibility/ on whether there should be a list of possible eco-schemes in the regulation) and conditionality (GAEC9 is still under discussion while other points have been agreed). The dialogues on pillar 2 have not started yet. The speaker also explained how the Commission is helping Member States (MS) to prepare their CAP Strategic Plans (CSP) in relation to green architecture.

During the debate, questions were asked by. COPA, COGECA, CEJA, BirdLife, CEETAR, EURAF, WWF

The representative of the Commission explained:

- On the difficulties with implementing the soil related aspects of GAEC7 in the Nordic countries: he underlined the result-oriented approach and the need to increase soil protection, without adding additional burden for farmers.
- On whether organic production should be included in the eco-schemes: the speaker underlined the flexibility given to MS to choose the most appropriate approach. MS can opt to manage their organic sector through pillar 2 with the same interventions as in the past with only RDP measures, or by shifting some money from pillar I to Pillar II or MS can decide to use the extra-funding of pillar I to support more organic production through eco-schemes.

- On the question of whether potential eco-schemes should be included directly in the regulation: it remains undecided if a list will be included and whether it will be in the basic act or in a delegated act. The Council and the European Parliament have different positions on this matter.
- Payment of the eco-schemes: payments could be based on whole farm activities or based on practices for particular products depending on the eco-schemes chosen.
- Recommendations made by the European Commission: they are not legally binding, but the Commission will check if MS would take them into account into their CSP, these recommendations are part of the on-going dialogue with MS to prepare for approving CSP at the end of the process.
- Unspent funds if farmers do not apply for eco-schemes: this remains a complicated question that will be discussed in the trilogues in Spring 2021. There will be some guiding principles to ensure that money is optimally spent while keeping the system financially manageable. However, the best way to ensure a good uptake of the eco-schemes is to have good discussion between MS and stakeholders to design attractive eco-schemes that farmers will be willing to join.

3.2. State of play on the Delegated act for sustainable finance taxonomy.

Mr. Jozsef Ivan, AGRI D4 gave a presentation on the Delegated Act for sustainable finance taxonomy that is available on CIRCABC. Following the adoption by the Commission of a sustainable finance action plan in 2018, the goal is to implement a new instrument to support environmental and sustainable activities.

The taxonomy framework has 6 objectives (2 linked to Climate change and 4 linked to environment) and the regulation established a governance framework. Activities funded should contribute to at least one of the 6 objectives without significantly harm to the other 5 objectives.

The taxonomy regulation was adopted in mid-2020, the delegated act on climate change should be adopted by April 2021 and the delegated act for the other 4 environmental objectives should be adopted by the end of 2021.

Taxonomy is not directly applicable to rural development measures; however, some rural uses are possible.

During the debate, questions were asked by COPA, WWF and BirdLife.

The representative of the Commission explained:

- Loans by national banks: national banks are not directly targeted by the taxonomy regulation, so it is up to them if they wish to apply the taxonomy regulation, or not. They can give loans at preferential rates for sustainable activities for instance.
- The possible link between the CAP and the taxonomy is not yet clear, this issue is currently under discussion, and a position will be defined with the adoption of the final delegated act in April 2021.

3.3. Update from the Commission on the transition regulation (including EURI for rural development) and the consequences for the RDPs.

Ms. Beata Adamczyk of AGRI F1 gave a presentation on the transition regulation that is available on CIRCABC. She explained the state of play concerning the legislative framework. She also presented the consequences for the RDPs in terms of amendments to be made, eligibility of certain types of expenditures, CLLD support, multi-annual commitments, risk management and Covid-19 measure.

During the debate, questions were asked by COGECA, EEB, CEJA, CEETTAR.

The representative of the Commission explained:

- Environmental dimension: the ambition regarding the environmental dimension of rural development policy remains high, which is reflected in a number of ring-fencing requirements relevant for operations beneficial for environment and climate. This is also a priority for the EURI resources for rural development.
- Submission of amendments: MS can already submit RDP amendments; some MS have already done so. The rules for amending the programmes remain the same, meaning that consultation with stakeholders is still necessary. The rules concerning eligibility of expenditure defined in the Art. 65 of the CPR and Art. 60 of RD Regulation apply.

3.4. Long term vision for rural areas (LTVRA)- state of play

o Updates on the different work streams and preliminary feedback on the consultation (if available).

Ms. María Gafo Gomez-Zamalloa, Deputy Head of Unit AGRI E4 gave a presentation on the LTVRA that is available on CIRCABC. She recalled that the Communication of the Commission is planned for June 2021 and focused on the 3 pillars to build this LTVRA, i.e. the public consultation conducted through different channels (online public consultation, stakeholder engagement toolkit, organisation of Rural week from 22 to 26 March 2021, debated in CDG); analysis and foresight exercise.

During the debate, questions were asked by COGECA, ELARD, WWF, SMEUnited, EURAF.

The representative of the Commission explained:

- Rural Week: stakeholders are invited to organise fringe workshops. More information is available on the ENRD website.
- The Covid-19 crisis is marked by a trend to look at rural areas with new eyes. A number of people are also considering moving out from urban areas. This trend is being considered for the LTVRA but this is too early to have data.
- Agriculture indeed represents a small share of employment but it is important to take into account the many other dimensions linked to agriculture. To encourage people to stay in rural areas, respondents of the public consultation identified the need for infrastructure, services and job opportunities. Due to Covid-19, everybody discovered the teleworking possibilities, but this is only possible with good digital infrastructure in place.
- On biodistricts: inputs are welcome to contribute to the reflection.
- The BCO (Broadband Competence Office) initiative helps the deployment of high-speed internet in rural areas with a national contact point in every MS. There are also a number of regional BCOs. EAFRD and ERDF including national funding can help to deploy digital infrastructures, but they remain complicated projects and BCO can support their implementation.

o What are the main messages for the Vision from Horizon 2020 projects? Ms. Alexia Rouby. AGRI B2

Ms. Alexia Rouby. AGRI B2 gave a presentation on the main messages for the LTVRA from Horizon 2020 (H2020) projects that is available on CIRCABC. Some common themes that emerge from the portfolio of around 20 H2020 rural research projects (e.g. POLIRURAL, RURALIZATION, SHERPA, ROBUST...) were:

- Demography appears as a central driver. It includes ageing and decline but also the opportunities for a return to rural areas and lifestyle migration powered by new developments.
- Some projects observed an increasing trend towards the development of new forms of economy with higher concerns for social and environmental values and well-being, accompanied by an increased sense of urgency accelerating policy development.
- What will be the balance between globalisation and localism? VOLANTE tells us that the answer may affect the future of rural areas quite a lot, as will the breadth and pace of technological change and the capacity of rural areas to benefit from these changes.
- There is great potential to progress on governance; in particular in building mutually beneficial rural-urban linkages.
- The role of activism, the evolution of democracy and sustainability transitions are new drivers that are gaining traction.

Some concluding elements to inspire the LTVRA: rural areas should be socioeconomically vibrant, resilient, innovative, smart and connected; their positive image should be recognised and valued, governance should be, fair and inclusive; they should have capacity to contribute to and benefit from sustainability transitions; the power to change and be in a position to inform governance arrangements.

o ELARD survey: “Which future do you want in rural areas” Ms. Marion Eckardt, ELARD President

Ms. Marion Eckardt, ELARD President gave a presentation on the ELARD survey that is available on CIRCABC. Based on 3436 answers from 26 countries, their main conclusions are that people in rural areas want basic services and employment. They also want adequate services: health, education (especially schools for children), care services (for kindergarten and for elderly), and good connectivity (Internet and mobility). Having access to affordable houses is also a concern. Another conclusion is that the importance of rural areas for larger society should also be recognised, not only as providers of green spaces or suppliers of food for urban areas. The narrative needs to change and rural people should be invested in telling this story. The third conclusion is that LEADER/CLLD is a highly appreciated method as 97% of the respondents are saying that they want to keep using LEADER/CLLD in their area.

3.4. Results of the “Evaluation support study on the impact of the CAP on sustainable management of the soil”

Ms. Juliette Augier of Alliance Environnement gave a presentation on the Evaluation support study about the impact of the CAP on sustainable management of the soil, that is

available on CIRCABC. After presenting the methodology of the evaluation, she presented the main findings including the CAP impact on soil quality and productivity including recommendations for the future. Recommendations include the following:

- To establish an EU framework that ensures common definitions (of soil, soil threats, conservation agriculture) are adopted across the Member States.
- To establish binding requirements for Member States to achieve the objectives set in the soil-related EU legislation.
- To raise awareness among all stakeholders, so that soil management can be addressed on an equal footing with other environmental issues.
- To establish an EU mapping of vulnerable areas for erosion and SOM, that can be used in defining binding requirements in soil related GAEC.
- To provide guidance and examples of good practices to support the implementation of activities crucial for soil conservation: tillage reduction, diversified crop rotation and agroforestry.
- To support knowledge consolidation and transfer: tailored agronomic expertise and support allowing farmers to implement sustainable practices while limiting economic risks.
- To address harmful practices and on-going trends: use of plastic in fields, use of continuously heavier machinery, land abandonment occurring on terraces, enlargement of field size. New CAP instruments or measures should be designed to address these issues.
- To anticipate the impact of natural events on unprotected soils, in the context of climate change.

During the debate, questions were asked by COPA, COGECA, EEB, CEETAR

The representative of the Alliance Environment explained:

- This study is part of a series of evaluation studies on the impact of the CAP on the environment.
- Scope: the study looked at cooperation measures and also at EIP Operational Groups; a catalogue of examples including of Operational Groups was collated (although not directly in the report).
- Knowledge transfer: the issue of soil remains very technical; extensive research has been conducted and different techniques have to be adapted to local conditions, so there is a wide need of technical advice.

The European Commission reported that it would evaluate the impact of the CAP on natural resources based on this independent study and the others already carried out on water and biodiversity. It will prepare a staff working document in the second semester of 2021.

3.5. GBER Modification

Mr. Kai Heikkila of AGRI F1 gave a presentation on the GBER modification that is available on CIRCABC. He explained the framework of the state aid rules and the changes planned for spring 2021 to the GBER Regulation, including those to facilitate recovery post Covid-19. These changes would bring, importantly, a major simplification for the State aid approval for support to LEADER and EIP projects. The proposed new rules would also affect State aid for energy efficiency in certain buildings, certain types

of low emission mobility infrastructures for road vehicles, as well as broadband aid provision.

4. Conclusions/recommendations/opinions

Some important dates to bear in mind:

22-26 March 2021, Rural week is organised on the LTVRA between ENRD and DG AGRI.

By April /May 2021, the dialogues should be finalised to allow the adoption of the CAP regulation.

By April 2021, adoption of the delegated act on taxonomy.

By June 2021, the European Commission should publish its Communication on the LTVRA.

5. Next steps

Participants were encouraged to participate in the Rural Week in March 2021.

6. Next meeting

Next meeting is planned for 26th November 2021.

7. List of participants - Annex

Guidance

DGs should ensure that all participants in a given group are informed that the Commission would be processing their personal data. They should do this via the Privacy Statement that is not only published online, but is also provided individually to each participant (e.g. as part of the email where the DG first contacts the individual concerned).

The name of Type A¹ and B² members and observers should always be included in the list of participants pursuant to Article 23 of Commission Decision C(2016)3301.

The name of Type C, D and E members' and observers' representatives may be included in the list, subject to their prior freely given, specific, informed and unambiguous consent (e.g. given in a consent form that they sign for that purpose at each meeting), in compliance with Article 3(15) and Article 7 of Regulation 2018/1725.

¹ Individuals appointed in a personal capacity (C(2016) 3301, art. 7.2 (a)).

² Individuals appointed to represent a common interest shared by stakeholders (C(2016) 3301, art. 7.2 (b)).

DGs have to be able to demonstrate that consent was obtained subject to conditions of Regulation 2018/1725 (i.e. keep a record that shows how the consent was obtained and whether it was valid).

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 registered participants– Minutes
Meeting of the Civil Dialogue Group “Rural Development”
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Member organisation	Number of Persons
APURE	2
AREPO	1
BirdLife Europe	3
CEETTAR	1
CEJA	2
CELCAA	5
CEPF	1
COGECA	9
COPA	10
ECVC	1
EEB	3
EFNCP	1
ELARD	1
ELO	4
EMB	1
ERCA	1
EURAF	2
Eurogites	1

Euromontana	1
FoodDrinkEurope	2
IFOAM	2
IFTF	1
PAN Europe	1
PREPARE	2
RED	1
SMEUnited	2
WWF EPO	2