

EC - Observations on the proposal by the Republic of Croatia for a CAP Strategic Plan 2023-2027 - CCI: 2023HR06AFSP001

The key issues

EC observations	HR comments
Observations with regard to the strategic focus of the CAP strategic plan	
<p>1 The Commission welcomes the submission by Croatia of its CAP strategic plan (from here on – the Plan), the consideration given to its recommendations of 18 December 2020 (SWD/2020/384), and the exchanges in the framework of the structured dialogue leading up to its submission. The Commission takes note of the public consultations conducted in preparing the Plan and invites Croatia to strengthen the partnership principle during the implementation phase.</p>	<p>We would like to thank you for your quick review of the CAP Strategic plan (CSP) and the list of observations, some of which are very constructive. We also noted that some parts of the CSP went less noticeable or unnoticed, resulting in observations on elements already contained in the CSP.</p> <p>Considering that the Draft CSP on which the EC submitted its observations was prepared before receiving the ex-ante evaluation of the CSP and before the circumstances arising from the Russian war on Ukraine, part of the SP provisions will be revised in accordance with the received suggestions, to the extent that best contributes to the objectives of the CAP and the situation in the Republic of Croatia.</p> <p>The most important issues will be discussed with relevant stakeholders through consultation process to strengthen the partnership, as well as through structured dialogue with the EC.</p>
<p>2 The Commission welcomes certain strategic decisions, e.g. the increase in the budget for some interventions such as knowledge and innovation as compared to the previous programming period or animal welfare that takes into consideration the new trends and consumer demands related to the protection of livestock. These are positive steps in order to advance towards a more knowledge-based agricultural model as well as adapting to the new societal demands.</p>	<p>We appreciate the fact that the EC has recognized our efforts to achieve a common European goal such as strengthening knowledge, innovation, agriculture based on knowledge and animal welfare.</p>
<p>3 However, the Commission considers that the Plan requires a stronger strategic focus that would allow a more effective and efficient use of</p>	<p>The Plan will be modified taking into account some of the observations.</p>

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	<p>the resources: first of all, the Plan lacks clarity and coherence of the strategic elements underpinning the choice and design of the proposed interventions; at the same time, the Commission considers that stronger efforts are needed regarding a fairer distribution and more efficient targeting of direct payment and that the Plan lacks sufficient ambition for the environmental and climate-related objectives; the Croatian Plan also requires higher ambition in terms of digitalisation and deployment of fast broadband in rural areas.</p>	<p>The intervention logic will be reconsidered and updated where appropriate in order to better reflect the strategic choices of the Croatian Strategic Plan, such as the redistribution strategy and the green deal ambition and digitalisation, and more information will be provided where needed.</p> <p>Recognizing that the issue of broadband is very important for vibrant rural areas, but also for the development of modern, precision agriculture, this issue required coordinated activity of all structures and various funds, due to the need for high investments. Total allocation needed for non-commercial investments (white and grey spots) is estimated at around 750 million euros and about 560 million euros is planned to be financed from European Regional Development Fund, Connecting Europe Facility and Recovery and Resilience Facility. Details will be included into the revised Plan.</p>
4	<p>The Commission recalls the importance of the targets set for result indicators as a key tool to assess the ambition of the Plan and monitor its progress. The Commission requests Croatia to revise the proposed target values, by improving their accuracy and taking into account all the relevant interventions, and by defining an adequate ambition level in line with the identified needs.</p>	<p>In line with the observation, target values of individual indicators will be revised where appropriate the values will be checked and the overall contribution of the programmed interventions will be taken into account.</p>
<p>Observations with regard to the fostering of a smart, competitive, resilient and diversified agricultural sector that ensures long-term food security</p>		
5	<p>The Plan contributes only partially to this general objective and the Commission has doubts as to the expected effectiveness of the proposed intervention strategy with regard to resilience, competitiveness and the position of farmers in the value chain.</p>	<p>Taking into account the new circumstances that arose after the submission of the first Draft CSP, modifications in the Plan will be made where appropriate, and more information will be provided to substantiate the contribution of the Plan to this general objective</p> <p>It must be noted that, having in mind the complexity of the issue, the different objectives of the agricultural policy and limited funds, the contribution of the Plan to this general objective should be viewed</p>

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		in the light of the balance among all three pillars of sustainability: economic, environmental and social.
6	<p>On the basis of the information provided in the Plan and considering the important needs identified, the Commission considers that the ambition as regards the fairer and more efficient and effective targeting of distribution of direct payments could be further improved, in particular as regards the targeting by improving the design chosen for the redistributive payment. Croatia is therefore invited to reassess its redistribution strategy and to complement explanations received so far, in particular by a quantitative analysis of the combined effects of all proposed income support tools on redistribution. This will allow the Commission to fully assess whether the aim of fairer distribution and more efficient and effective targeting of direct payments is addressed in a sufficient manner by the Plan.</p>	<p>The Strategic Plan envisages redistribution of 20% of the direct payments envelope, for the first 30 hectares, or twice as much as the requirement from the Regulation. This model ensures higher payments per hectare for holdings up to 50 hectares (96,7% of all beneficiaries). The estimated average amount of additional reallocated payment is 110.67 euros per hectare and would be paid for approximately 680 thousand hectares.</p> <p>Possible further redistribution will be decided after consultation with partners in the sector.</p>
7	<p>According to the Strategic statement the income of Croatian farmers lays significantly below the average of the entire economy. Croatia is invited to provide more information on how it is addressing numerous challenges at national level (e.g. farmers' access to land and capital, better conditions for land transfer between generations) to ensure efficiency of the Plan interventions aimed at less dependence on food imports, higher income of Croatian farmers and the young farm managers in particular.</p>	<p>The legislative framework for the lease of state-owned agricultural land has favoured young farmers, which has been further emphasized by new amendments to the Law. A number of provisions have been proposed to speed up the lease of the land. Other pieces of legislation have been amended to make it easier for farmers keeping livestock on karst to lease forest land suitable for grazing.</p> <p>Based on the internal analysis on the implementation of the Financial instruments (up to September 30th 2021), payments for the projects approved to young farmers in average are above 21% of all payments under FI RDP.</p>
8	<p>Croatia aims at strengthening the position of primary producers in the value chain and shifting towards products with higher value added. However, there are no sectoral interventions in other sectors than the mandatory ones, i.e. fruits & vegetables (F&V), apiculture and wine.</p>	<p>On sectoral interventions, a decision was made to implement them in three sectors. The reason for this is the complex implementation of sectoral interventions for both producers and the administration.</p>

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	Croatia is invited to consider if this approach is coherent with the identified needs to increase productivity and effectiveness.	<p>Croatian experiences in the application of measures for producer organizations in the fruit and vegetable sector, which are essentially the framework for how interventions will be carried out in other sectors, indicate that the application of this aid model is demanding and complicated for producer organizations or associated producers. There are a number of requirements (joint sales, conditional grants with pooling of funds with the EU, contributions to the fund, etc.), which are very challenging and often refused when presented to producers. Croatia faced this problem in the preparation of this model of support in the fruit and vegetable sector, and even after several years of implementation significant problems remain. In addition, another important reason is the low level of willingness of producers to organize and engage in joint business through cooperatives.</p> <p>Therefore, we believe that the introduction of this model of intervention in other sectors should be gradual. In the beginning we would implement a similar "softer" national programme, which will be less demanding and stimulate the creation of a critical mass of potential producer organizations or producer associations, which would join the intervention model.</p> <p>We believe that, due to all the above, it is more appropriate to plan sectoral interventions in other sectors when we are convinced that there really is an interest of producers and their need for these measures.</p> <p>Therefore, it would be more appropriate to establish sectoral interventions in other sectors as a pilot national model, which could be later upgraded and included into the Strategic Plan.</p>
9	In light of the Russian war on Ukraine, the Commission urges Croatia to consider interventions that will help reduce dependence on fossil	Various interventions contribute to reducing the use of inputs, like encouraging manure application, minimum leguminous content of

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	fuels and other externally sourced inputs to preserve the production capacity and viability of farms.	<p>20% within agricultural areas, conservation agriculture or organic farming. Also, new action plan on sustainable use of pesticides with even more strong focus on IPM and promotion of non-chemical measures in plant protection is planned for adoption in 2023. Additionally, dissemination of knowledge, methods and new technologies, especially through AKIS, in agricultural production will lead to reduction of inputs, using them at optimal level while ensuring competitive production.</p> <p>Related to the dependence on fossil fuels, see also reply to observation No. 20</p>
<p>Observations with regard to the support for and strengthening of environmental protection, including biodiversity, and climate action and to contribute to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement</p>		
10	The Plan contributes only partially to this general objective and the Commission has doubts as to the expected effectiveness of the proposed intervention strategy.	<p>More information will be provided to substantiate the contribution of the Plan to this general objective, and modifications in the Plan will be made where appropriate.</p> <p>It must be noted that, having in mind the complexity of the issue, the different objectives of the agricultural policy and limited funds, the contribution of the Plan to this general objective should be viewed in the light of the balance among all three pillars of sustainability: economic, environmental and social.</p>
11	Croatia is requested to undertake a number of key changes to strengthen its contribution to environmental and climate-related objectives using qualitative and quantitative elements such as financial allocation and indicators. These changes relate to observations concerning conditionality, eco-schemes and rural development (RD) interventions, which will have to be addressed in order to deliver on increased ambition with regard to environmental and climate-related objectives as required by Article 105 of the SPR.	We take note of the observation and will improve the descriptions as appropriate. We will explore the possibility to enhance contribution to environmental and climate-related objectives. In objectives SO 4, 5 and 6 we did provide a link to national plans stemming from the legislation listed in Annex XIII, but a link to EU legislation is missing, so proper contribution of national plans to Annex XIII could not be recognized. The same information could be added in section 5 of each of the relevant interventions.

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	<p>At the same time, Croatia is invited to ensure coherence with key pieces of EU environmental and climate legislation (Directive 2000/60/EC (Water Framework Directive (WFD)), Directive 2009/147/EC (Birds Directive), Directive 92/43/EEC (Habitats Directive), Directive 91/676/EEC (Nitrates Directive), Directive (EU) 2016/2284 (NEC Directive) and Directive 2008/50/EC (Ambient Air Quality Directive) listed in Annex XIII of Regulation (EU) 2021/2115 (Strategic Plan Regulation - SPR).</p>	
12	<p>The Plan does make a link between the need to decrease agricultural emissions and enhance land-based carbon sequestration and the contribution to the climate targets and objectives under the current Effort Sharing and LULUCF Regulations. However, the Plan should be amended to provide sufficient justification as regards this ambition, instead of staying mainly at the minimum levels of the previous period.</p>	<p>We appreciate that CSP contribution to carbon sequestration is recognized. Several interventions were planned aiming to reduce GHG emissions. We believe that investments in renewable energy sources, improving manure management on farm and on field, conservation agriculture, permanent grassland preservation, animal welfare will significantly contribute to reduce GHG emissions and increase carbon sequestration. .</p>
13	<p>In this context, Croatia is strongly encouraged to take into account the future national targets of the Effort Sharing Regulation and the LULUCF Regulation (which are currently under consideration by the co-legislators) in view of the legal requirement to review the Plan after their application.</p>	<p>No national targets have been established under the future LULUCF and ESR Regulations, which are still being discussed in the EU Council. Upon adoption of those Regulations, Croatia will consider how individual sectors, including agriculture, can contribute to the future national targets.</p>
14	<p>The Commission requests Croatia to clarify and, if necessary, amend certain Good agricultural and environmental conditions (GAEC) so they fully comply with the regulatory framework. Also, the environment and climate related interventions under Pillar I and Pillar II will need to be better linked to the needs and objectives as some indicators related to key issues show insufficient ambition and some important indicators are missing</p>	<p>As prescribed through Regulation (EU) 2021/2115, GAEC standards are a set of minimum requirements for farmers and other beneficiaries. GAEC standards are mandatory for farmers and other beneficiaries on all agricultural areas, including land which is no longer used for production purposes. In the process of creating GAEC standards Croatia considered the specific characteristics of the country including soil and climatic condition, existing farming systems, farming practices, farm size, farm structures and land use.</p>

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		<p>In creating GAEC standards Croatia took into consideration national legislative framework on environmental protection, climate change and mitigation as well as NATURA 2000 legal framework.</p> <p>Proposed GAEC standards fully comply with the regulatory framework.</p> <p>All the technical detail on GAECs will be further prescribed through national ordinance.</p> <p>We do not see SP as a document for specific technical details on GAECs.</p>
15	<p>Croatia is requested to explain how the Plan addresses needs, contributes to and is coherent with the River Basin Management Plan (RBMP), also considering measures beyond irrigation, such as natural water retention and measures to reduce crop water demand.</p>	<p>It seems that connection of CSP with RBMP is not clear enough, in section 3 of CSP we described water protection mostly resulting from mandatory requirements. Quite a few interventions contribute to this purpose, namely each intervention with commitment not to use PPP or synthetic fertilizers or commitments related to maintain permanent grasslands. Also, interventions resulting with maintenance or increase of organic matter contribute to soil water retention capacity, like organic farming, conservation agriculture, or commitment to plant minimum 20% of leguminous on agricultural area.</p> <p>More detailed information will be added in CSP.</p>
16	<p>The Commission holds the view that it is unlikely that the proposed interventions will lead to an effective contribution to the achievement of the specific objectives of Annex XIII legislation. The proposed eco-schemes and RD interventions will need to better address some of the pressing needs related to biodiversity, diffuse agricultural pollution, hydro-morphological pressures, desertification and salinisation, nutrient losses, low humus content and air pollutant emissions and emissions from enteric fermentation from agriculture,</p>	<p>Croatia will consider how to better address some of the mentioned elements, but one must bear in mind that the CSP has limited capacity to address all of these issues. Consequently, planned interventions and relevant allocations will be revised in adequate manner. We share the concern for the biodiversity, but it should be noted that Croatia is in a better position than some other MS where agriculture already damaged nature and biodiversity and where considerable funds have to be allocated to that purpose.</p>

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	<p>as well as the need to increase CO2 removals and resilience of agriculture and forestry to climate change. Croatia is invited to revise the adequacy of the planned interventions and the allocated budget with a view to achieving sufficient impacts. This is particularly acute for biodiversity and nature, which is of particular concern given the rich natural capital of Croatia. Croatia is encouraged to also consider result-based approaches to addressing these challenges.</p>	<p>Nevertheless, this does not mean that we underestimate the importance of biodiversity. We are dedicated to maintain at least the level of preservation achieved so far.</p> <p>All forestry measures / interventions are based on the postulates of sustainable forest management that have been proven to have an effective and long-term effect on carbon sequestration and conservation (and improvement) of exceptional biodiversity of forest ecosystems in the Republic of Croatia.</p>
17	<p>Croatia is requested to take better account of the Prioritised Action Framework (PAF) and further align the proposed interventions with it.</p>	<p>We support the preservation of Natura 2000 ecological network and we participated in the PAF preparation. It should be noted that due to financial constraints, it will not be possible to support all proposed measures from EAFRD.</p> <p>However, we will put more effort into strengthening the link between PAF and CSP and possibly include some additional measures from PAF in CSP.</p>
18	<p>The Commission welcomes the intervention aimed to preserve forests in Natura 2000 areas where careful targeting is needed given the low level of the allocated budget. Moreover, Croatia is invited to consider climate and environmentally friendly forest and agro-forest practices, forest fire prevention and mitigation, payments for forest ecosystem services, etc.</p>	<p>The proposed interventions in the forestry sector are based on traditional and legally prescribed sustainable forest management. Such management is mandatory for all forest owners, regardless of the titleholder, and is implemented in accordance with forest management plans.</p> <p>Croatian forestry significantly contributes to the national economy and the social component as one of the key employers in rural areas but also the ecological component by protecting forests and biodiversity (the second EU member state in terms of the share of Natura 2000 protected areas).</p> <p>International FSC certificate awarded to all state forests (about 80% of the total forest area in the Republic of Croatia), legally prescribed</p>

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		pan-European criteria FOREST EUROPE and the fee paid by companies as compensation for common forest functions (OKFS) jointly guarantee stable, professional and responsible sustainable forest management, especially for protected forests that have no significant economic value.
19	Croatia is invited to better elaborate the strategic approach concerning a sustainable livestock sector by explaining how the different elements of the Plan come together into a coherent picture which takes into account climate and environmental related aspects as well as competitiveness and market potential.	Various interventions targeting livestock sector are included in the CSP, as a framework for the preservation and development of sustainable livestock sector. The whole strategic approach which takes into account climate and environmental issues, competitiveness and market potential of the livestock sector will be further explained in the CSP.
20	The Commission strongly encourages Croatia to fully benefit from possibilities for CAP interventions by using them to increase sustainable domestic generation of renewable energy, including biogas, thereby strengthening what has already been programmed in their National Energy and Climate Plan. Moreover, the Commission calls on Croatia to strengthen the interventions that improve nutrient use efficiency, facilitate circular approaches to nutrient use including organic fertilising as well as further reduce energy consumption.	Domestic production of renewable energy was taken into account in the preparation of interventions. We will strengthen the rationale in the CSP to better explain this point. The proposed intervention of the eco-scheme for the use of manure on arable land includes the optimization of the application of organic fertilizers based on the expert support of advisors. Eco-scheme interventions involving the cultivation of legumes as well as cover crops that are further used for green manure, significantly contribute to reducing the consumption of mineral fertilizers whose production requires high energy consumption.
Observations with regard to the strengthening of the socio-economic fabric of rural areas		
21	The Commission has doubts about the potential of the Plan for contributing to the general objective of strengthening the socio-economic fabric of rural areas. At the same time, the Commission welcomes the efforts made by Croatia to attract and sustain young farmers in agricultural business, to improve their business and	More information will be provided to substantiate the contribution of the Plan to this objective, and modifications in the Plan will be made where appropriate.

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	financial skills and provide for access to finance via financial instruments.	When evaluating the CSP's contribution to this objective one should have in mind the complexity of the issue, the different objectives of the agricultural policy and limited funds.
22	Support for rural areas beyond agriculture and the coordination of EU funding instruments is key to the EU's social and territorial cohesion. This should be reflected in the Plan. More information should be provided on how Croatia will address these needs with national or other EU funding sources and how this funding is coordinated with funding from the Plan.	<p>Complementarity with ESIF funds and HR RRP will be further elaborated in the Plan, including investments in infrastructure and digitalisation, social, health and educational services as well as cooperation for local development planning in line with the EU's Rural Vision 2040.</p> <p>As regards interventions of the CSP, through the implementation of LAGs LDS, local communities will have the opportunity to finance projects that are tailored to the needs of the local community. A new approach to territorial development (industrial transition, islands, assisted and mountainous areas, cities) was provided through the Integrated Territorial Program within Cohesion Policy, coordinated by the MRDFEU, and various stakeholders contributed at the state, regional and local levels.</p>
23	Despite very significant needs identified with regard to the socio-economic context of Croatian rural areas (improved infrastructure, diversification of agricultural production, agro-tourism, bio-economy, social inclusion, services, etc.), the proposed interventions seem to only partially address them. The Commission invites Croatia to better explain how, and if, these needs are addressed under the Plan, mainly relying on LEADER, as well as other funding instruments. Croatia should also consider to increase the funding for the relevant CAP interventions and explore other (non-LEADER) interventions. In this context, Croatia is requested to enhance the ambition with regard to job creation aspects in various interventions of the Plan.	<p>The needs for physical and social infrastructure in rural areas will be met through the implementation of the CSP bearing in mind that the needs are significant, but to the extent determined by the available funds.</p> <p>Job creation is an important component of many interventions and the contribution of all those who create new jobs is being valorised.</p>

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24	The Commission is concerned about the low level of commitment in the Croatian Plan to promoting gender equality and improving the participation of women in farming. The Commission encourages Croatia to consider addressing this objective by justified and proportionate measures.	<p>Gender equality is an issue where Croatia has made significant achievements, and we are determined to continue in the same direction.</p> <p>The issue will be reflected in the SWOT analysis for specific objective 8.</p> <p>Specific programmes of the knowledge transfer intervention will be aimed at women. LAGs and National CAP Network will also be encouraged to focus their activities on working with rural women.</p>
Observations with regard to fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas		
25	The Commission considers that the Plan provides insufficient information, starting with the analysis of strengths, weaknesses, opportunities and threats (SWOT), to allow for a thorough assessment of Croatia's strategy for knowledge, innovation and digitalisation. The Commission therefore requests Croatia to develop a clear and comprehensive strategic approach for Agricultural Knowledge and Innovation Systems (AKIS) and digitalisation, covering agriculture and food production as well as topics such as energy efficiency, the application of climate change mitigation measures, forest protection, etc. in line with the assessment of needs.	The CSP will be amended in accordance with the observation key elements. Development of AKIS will include building of awareness related to importance of networking including strengthening all participants, especially farmers as initiators but also co-creators of new knowledge, and changing roles of researchers and advisory services (both public and private), as well as National CAP network. The digitalisation of agriculture is ongoing, both in digitalizing existing data and creating IT tools for collecting new data and information needed for future analyses, research and advice, which will also facilitate future cooperation. Special emphasis is given to securing easy access for Croatian farmers to already existent knowledge, information and experiences of EU farmers, as well encouraging all forms of future cooperation.
Other issues		
26	Croatia is requested to revise the sections related to "Identification of needs" and "Intervention logic" under the specific objectives so as to define needs in a clearer and more consistent way and to better present interrelations and linkages between the different elements. The quality of the intervention strategy for specific objectives 4-6 and	We will consider the possible improvements of the mentioned parts. See also reply to observation No. 3.

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	9 in particular would benefit from improvements. To this end, structuring the paragraphs around the identified needs and then specify which interventions are supposed to address which needs should be considered. For better legibility, the use of codes attributed to needs and interventions is also preferable.	
27	Equal treatment of public and private entities with regard to access to the interventions of the Plan should be ensured in line with the comments under 'Detailed observations' of the Observation letter.	<p>We consider this observation in the light of equal access to support from public and private advisory services. In this programming period, experience is gained in the involvement of private advisory services, especially in specific issues such as circular agriculture, precision farming techniques and the impact on agro-environment, digital transformation in agricultural production, digital marketing and innovative market approaches and all aspects of agricultural cooperation.</p> <p>Given the difference between the target groups of users of public and private advisory services, as well as areas of expertise, the efforts of complementary and synergistic action of these services under equal conditions will continue.</p>
Information with regard to the contribution to and consistency with Green Deal targets		
28	Croatia is requested to quantify national values for the respective EU Green Deal targets, and to provide sufficient explanations on how the Plan will contribute to the achievement of these targets.	<p>Croatia takes note of the observation.</p> <p>Information on consistency with and contribution to EU targets set out in the Farm to Fork Strategy and the EU Biodiversity Strategy is provided in Chapter 2.3.3. of the Strategic Plan.</p> <p>The EU legislation does not contain an obligation for Member States to establish national targets for respective EU Green Deal targets in their Strategic Plans. Croatia will consider this issue taking into account the guidelines provided by the National Agricultural Strategy.</p>
29	The Commission welcomes the fact that the Plan aims to increase the Croatian agricultural area under organic farming. However, Croatia	Croatia will consider possible further increase of the area under organic production as a contribution to economic, environmental and

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	<p>is invited to explore the scope for further increasing the level of ambition and revising the national target of 12% of the area under organic farming by 2030 upward to contribute more significantly to the common target of 25%. In this context, both supply and demand for organic products should be stimulated, greater efforts could be put into reinforcing the entire value chain, boost demand and ensure consumer trust for organic products.</p>	<p>social objectives: Nevertheless, it is necessary to plan such increase objectively, especially in financial terms, in order to maintain a balance between the objectives of the common agricultural policy. The National Action Plan for the Development of Organic Agriculture has various measures related to the supply and demand of organic products, as well as strengthening the entire supply chain of organic products, which will be financed from various national sources. Additional clarifications will be entered in the CSP.</p>
30	<p>The Commission welcomes the information provided by Croatia concerning the contribution to the targets on antibiotic use reduction and land with high diversity landscape features. As regards antibiotic reduction, it invites Croatia to sustain its efforts. In addition, Croatia is invited to significantly increase the share of landscape features to reach 10%. Whereas the Plan includes some measures to promote landscape features, a detailed analysis of the expected results is needed.</p>	<p>We appreciate the comment regarding Croatian contribution to antibiotic use reduction. Croatia implements a number of measures in this regard in accordance with the National Program for Control of Bacterial Resistance to Antibiotics The new National Program for the period 2022 - 2026 is being prepared by the Ministry of Health, and the Ministry of Agriculture is actively participating.</p> <p>Croatia is continuously improving the system aimed at further reduction of antibiotics application, including the training of employees of the advisory service and veterinarians, upgrading of the IT system VETIS to include data on veterinary medicines application at farm level and the adoption (by the beginning of 2023) of the new Law on Veterinary Medicinal Products, to ensure implementation of updated rules on the authorization and application of veterinary medicines in accordance with Regulation (EU) 2019/6.</p> <p>Croatia takes note of the comment regarding landscape features. Currently about 8% of agriculture area registered in LPIS includes landscape features, and the percentage on land not registered in LPIS is probably even higher. In CSP are envisaged some commitments (GAEC 8) and interventions (eco scheme intensified ecological focus areas, non-productive investments in agriculture) that promote</p>

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		landscape features. Impacts of these interventions can only be evaluated after certain implementation period.
31	Based on the analysis of needs included in the Plan, the Commission asks Croatia to significantly step up the level of ambition with respect to nutrient loss and sustainable use of pesticides and to set ambitious targets.	<p>Croatia takes note of the observation and points to the explanations given in Chapter 2.3.3 of the Strategic Plan.</p> <p>We would like to highlight that any review of targets must be perceived in light of current pesticides and fertilizers use in Croatia, and especially in light of demand on food security and sufficient supply of food for EU citizens.</p> <p>Farmers in Croatia are already obliged to keep records of the use of PPPs and fertilizers, but the use of FaST, first by advisers and then by farmers, will provide basis for better monitoring. This will allow us to set measurable targets, but also to reduce the use of inputs through optimization.</p>
32	Croatia identifies a 778 million EUR investment gap in order to achieve full fast broadband coverage of rural areas. However, various details are missing in the Plan on the intervention strategy of the National Broadband Development Plan such as calendar of milestones, targets, and complementarities with other funding instruments (e.g. Recovery and Resilience Facility - from here on - RRF). Croatia is therefore invited to strengthen the Plan, in coherence with the observations provided under 'Detailed observations' of this letter.	<p>More information will be provided in chapter 2.3.3 of the Strategic Plan on the "National plan of development of broadband access in the Republic of Croatia in the period 2021-2027" and the activities contained in the RRF.</p> <p>Although the CSP is considered a key document for rural development, it should be emphasized that according to the above mentioned national planning documents, it is not envisaged that the Strategic Plan will directly contribute to investments in broadband network.</p> <p>See also explanation provided for observation no 3.</p>