

MINUTES OF THE MEETING OF THE CDG ON RURAL DEVELOPMENT ON 25TH NOVEMBER 2015

1. Adoption of the agenda and minutes of the previous meeting on 6th May 2015

The Chair opened the meeting and asked the members whether they approved of the minutes of the last meeting. The members of the CDG subsequently adopted said minutes. The Chair thanked Mrs Oana Neagu, Copa-Cogeca, for drafting the minutes.

The Chair asked the group whether they could approve the agenda for the meeting and whether they had any items to add under AOB. ERCA requested adding a point on the European Rural Parliament.

2. Election of the Chairmanship of the CDG on Rural Development

The Commission presented the candidates and explained that the same Chair and Vice-Chair had been nominated. The Commission then asked the members to elect the Chairmanship by acclamation.

Although the CEJA candidate, Mrs Tuija Korhonen, was absent, a decision was made to proceed with the vote.

The current Chairmanship was re-elected: Mr Peter Pascher (Copa) as Chair, and Mrs Trees Robijns (BirdLife) and Mrs Tuija Korhonen (CEJA) as Vice-Chairs.

3. Approval of the strategic agenda of the CDG on Rural Development

The Chair explained that the strategic agenda had already been discussed at the previous meeting and that the new version included some small changes tabled by ELARD, UEAPME and IFOAM.

The Chair asked the members to approve the strategic agenda, which they did.

4. Rural Development Policy 2014-2020

- a. State of play of the approval of RDPs. Effective and timely implementation of RDPs and their amendments
- b. Discussion between CDG members on the approval process of RD programmes – focus on how to increase the quality of the programmes and reduce the approval period

The Commission gave a presentation on the RD programmes. A Commission expert explained that programmes from EL and CY would be adopted over the coming weeks.

The Commission also presented the state of play concerning amendments to the RDP 2014-2020.

Questions from the members:

BirdLife asked how the percentage of land under biodiversity and climate change was calculated.

EFNCP asked whether the MS included on the graphs had any targets.

Copa highlighted that it was crucial to organise information campaigns on AECM for future beneficiaries. It was also vital to include a degree of flexibility on a posteriori financing and to be able to transfer funds between measures.

ERCA commented that the decision-making process on the MFF was dysfunctional as two years had been lost. For example, the first decision on payments in SE would only apply next year. The Council's late decision had affected the whole process.

Copa asked for clarification on the amendments, as there was insufficient flexibility for minor changes to the programmes. The procedures were hard, with a long wait before approval. It was fundamental to be able to better adapt to market requirements.

IFOAM asked when total spending would be calculated.

Cogeca wondered whether the Commission had also asked the MS to analyse the potential positive effect of other measures that were not included in the targets, such as reducing GHG emissions.

Concerns were expressed that the deadlines for consulting the Monitoring Committee on amendments were short.

Answers from the Commission:

In response to IFOAM's question, the Commission explained that the data had been taken from the database in September but that changes would have been minor.

Referring to Cogeca's question, the MS reported more output data on 18 focus areas. Many other actions that are climate relevant are not necessarily counted. Secondary effects. A broader picture would be presented later, in particular in the extended annual implementation reports.

The Commission explained that the target for biodiversity was linked to area-based actions that have a proven effect on biodiversity. The same approach applies to soil and water.

The Commission stressed that it was important to comprehend the benefits of the policy and not to underestimate them. There was a need to focus on more in-depth analyses and the MS needed to know why it was important to have such analyses.

Concerning ERCA's comment, the Commission explained that this state of affairs was due to the procedure and that the delegated and implementing acts had been approved last summer. The situation also depended on the MS, the quality of their programmes and their work. Any approved RD programmes were immediately operational.

The Chair asked when the in-depth analysis of focus areas would be available.

The Commission would send a more elaborate breakdown per focus area in early 2016.

Some programme modifications were very quick, but others were not fully developed, therefore observation letters were longer. Informal discussions were very useful in order to clarify elements before the formal submission. In the future, it is foreseen to propose as many modifications as needed by the MA on financial instruments.

The Commission maintained the practical approach to have one modification per calendar year. In the past, MS were able to have many modifications per year, and handling that process was very difficult for the MS and the Commission.

The strategy could be reviewed three times over the entire period and the Commission asked the MS to work more on the quality, as opposed to the quantity of changes.

The Commission was very keen to support the role of Monitoring Committees (MC) for the amendments. Members of the MC should receive all relevant documentation at least 10 working days before the meeting in order to submit their comments on time. Codes of conduct needed to be respected.

The partners also can have an influence on the speed of the process. The partners are advised to table legally compliant proposals.

Questions from the members:

EMB stressed the need to analyse real people with real problems. The very existence of farms was under threat.

EEB said that 10 days was very useful for the members of the MC. However, in Romania, documents were sent on Friday for a meeting on Monday. EEB wondered whether the deadline for documents was mandatory.

Copa asked how climate change measures would quantify agriculture's mitigation targets in relation to debates in Paris.

BirdLife asked whether ANC were included in the biodiversity targets. As a second issue, it stated that important documents such as observation letters should be available to the public automatically. BirdLife also asked when the package with changes should be submitted.

The Chair asked whether greater preparation with the MS could have been useful.

Answers from the Commission:

The Commission underlined that events and discussions with the MS had taken place, including within the RD Committees. The Commission had also received extremely high quality programmes, meaning that both side had learned from previous experience.

The general 10-day rule is under the [Commission delegated Regulation \(EU\) on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, implementing the Common Provision Regulation \(CPR\)](#).

The Commission explained that it would be preferable to avoid Christmas and New Year for packages with changes. Any program amendments tabled formally in December would count for that year.

An automatic disclosure of all documents and observation letters on the dialogue between the MS and the Commission is not foreseen as those form part of a continuous discussion. A case-by-case assessment of such request will be carried out.

The indicators were output and on their own they would not provide information to support discussions on the climate. Studies and evaluations would have an important role to play.

A description of how the targets were calculated would be provided by the end of the year.

The Chair concluded that this discussion should continue at future meetings and that we needed to work together to efficiently implementing the RDP. In this context more communication and more coaching by the Commission are subjects to be discussed.

5. Presentation of the preliminary findings of DG REGIO's study on the implementation of the partnership principle and multi-level governance during the programming phase of the European Structural and Investment (ESI) Fund

The Commission gave a presentation, which was also available on CIRCABC.

Questions from the members:

The Chair highlighted the importance of this study.

BirdLife stated that it seemed to mark an improvement on paper, yet in reality their members were struggling to provide input due to their capacity or lack of involvement. In addition, no funding was provided to participate in MC meetings. BirdLife wondered whether DG AGRI was planning to conduct such a study for just the RD process.

ELARD mentioned the thematic platform on partnership and that MS information was important. Partnerships only actually worked on paper. Funding stakeholders was vital to ensure that they were part of the process and the MS and commission could benefit from their active involvement. Membership fees should be eligible for reimbursement.

Cogeca stated that this kind of entity (such as the MC) generally included too many representatives from public bodies. The MC should play an important role. Cogeca asked DG AGRI's views on the report and how it would use the results.

ECVC agreed with EMB's comment that crises were afoot and that we should take these issues into account.

Answers from the Commission:

The study was part of a group of studies and focussed on the new elements in this programming period.

This would help the Commission with post 2020 discussions and would feed into the impact assessment.

The study will be published early-2016.

Partners representing RD stakeholders were of course included in the study.

The thematic group on partnership fell under DG Employment, the European Social Fund, and was also open to other funds.

The Commission stressed that partners play an important role in the Monitoring Committee. The Commission was aware that some of the stakeholders found it difficult to actively participate in the Monitoring Committees and would discuss this matter at a future ESIF Structured Dialogue meeting.

The Commission attaches a lot of importance to the implementation of the partnership principle and will continue to follow-up on this, in line with Article 5 of the Common Provisions Regulation.

This also required investments in strategic planning from the stakeholders. All parties should be responsible for their own share.

The Commission had not planned to do a study just for the Rural Development Programmes and how the partnership principle was handled.

The Chair closed this point and mentioned that the debate on partnership would continue at the next meeting, as this was vital and should be respected. Implementation varied and examples of good practice should be promoted.

6. Update on financial instruments under new RD programmes

The presentation given by the Commission was available on CIRCABC.

Questions from the members:

Cogeca underscored the importance of simplification. Few MS implemented this kind of support and Cogeca wondered how the other MS saw such delivery mechanisms and why they chose not to implement it. SE provided guarantees for dairy farmers and there was no interest from commercial banks. Cogeca asked to hear the Commission's experience on this matter.

Copa highlighted demands for extra work on financial instruments and mentioned that commercial banks could be more attractive if this came from them. Leverage was not at the level expected.

Answers from the Commission:

Fund management was supposed to be done by banks on the ground and not by a managing authority. Without sufficient support in the past, there were challenges and it was vital to do better than in the past.

The Commission saw differences between the MS also due to complex eligibility criteria (eg in set in RDPs). In addition, lack of experience in using FIs brings fears of committing errors and receiving penalties.

Financial instruments were a key topic under simplification.

The Chair concluded that it was still a challenge to implement financial instruments in an easy and efficient manner. Financial instruments are a complementary tool to the traditional support by grants.

7. Update on the Structural Fund for Strategic Investments (EFSI)

The Commission's presentation is available on CIRCABC.

The Chair stated that rural areas are mentioned and that examples would prove helpful. The Chair asked how relevant rural areas were under the EFSI.

ELO asked about the amount of time that it takes from a proposal to repayment. ELO also enquired about the EIB's intervention rate and whether it stands at 20% or 30%.

EMB wondered how a dairy farm with 50 cows could access the fund, which seemed to focus predominantly on big investors. Big investors are currently pushing farmers out of rural areas. Small farmers would be squeezed due to structural challenges.

Answer from the Commission:

The Commission revealed that several examples exist, such as a project in DK on the integrated supply chain focussing on the local economy, which still needed to be analysed. Additionally, FI had invests in energy efficiency and renewable energies.

The Commission do not see any conflicts concerning the size of the investor. DE have some good examples of SMEs. The regulation does not narrow the definition.

Direct loans are used for large investments, as have been the case in the past.

The issue is aggregation and ensuring that the EIB does not distort the market. National and regional banks play an important role.

Large infrastructure projects necessitates a 20 to 25-year project (long-term financing) on which the EIB's pricing and interest would be calculated. A risk assessment followed by risk pricing would be carried out.

This does not require higher co-financing. The EIB covers 20% of the project's costs, but this amount could reach a maximum of 50% in some cases.

DG AGRI has four different priority areas: precision farming, broadband and the smart village approach, the circular economy, and the bioeconomy. The agricultural sector plays a major role in reducing waste. Access to financing is therefore vital for agricultural SMEs and financial instruments. The EFSI could play a role here.

The Commission mentioned that investment platforms are supposed to garner different interests, which could potentially support small investment projects. Managing authorities and stakeholders needs to identify projects that are market-orientated by looking at their geographical scope, sectoral scope, etc.

The Chair stated that the EFSI is also for investments in rural areas an important financial instrument for taking over more risk projects. The four different priority areas of DG AGRI are a good basis. More experience with this new instrument should be gathered.

8. Simplification

a. State of play of simplification

The Commission gave a presentation that was available on CIRCABC. 2015 was the year to collect proposals from the MS, EP and stakeholders. The process was not closed and any ideas were more than welcome.

BirdLife could speak from experience and say that in Ireland there was no consultation on simplification. BirdLife wondered who would be consulted on greening and EFA in 2016. The partnership approach should be followed.

EEB asked about collective agreements and how that interacted with simplifying AECM.

EMB stressed that the crisis instruments did not work, which was a real failure.

Copa highlighted that the CAP was complex and that a certain amount of flexibility was needed to apply it. There were many problems on the ground and simplification was vital, also for amending programmes.

Answers from the Commission:

Implementing collective agreements for AECM was part of the rural development basic act – the definition of a group of farmers fall under Regulation 1305/2013. The objective is to deliver better environmental results, which necessitated further clarification of the control rules with a built-in flexibility. Notification should be mandatory. Controls would take place and the Commission also mentioned allocating responsibilities within the collective.

The Chair closed this point and mentioned that the debate on simplification would continue at the next meeting.

9. Activities of the High Level Group monitoring simplification for beneficiaries of ESI funds

The Commission gave a presentation that was available on CIRCABC.

EFNCP mentioned that the platform was only available in English.

Cogeca had high expectations of this group and asked about the study on simplification. Cogeca also enquired about the link between this and simplification of the CAP.

Cogeca asked how the work was managed between the meetings and how the meetings themselves were prepared, wondering whether the workload was divided between the experts. It was important to know this so that all could better contribute to the process.

Eurogites underlined the importance of feedback on interpreting the same rules in different countries, as this could create unfair competition between countries.

Answers from the Commission:

The platform was only available in English at the moment. The Commission would take the comment into account.

Expectations were indeed quite high. The study on simplification was part of a group of studies, including the one on partnership.

The group worked in parallel with developments to the CAP. The group worked closely with DG AGRI and would cover interest in all of the funds.

The experts were independent and highly committed. Three to four officials from DG REGIO provided support, along with officials from other DGs. The Commission's role was to facilitate the work and draft conclusions and recommendations. The Commission relied on the people working on the ground. They had a rapporteur for each team (topic).

The Commission had strived to adopt a coordinated approach to interpreting legislation on the CPR for 2014-2020. Providing guidance was a good tool.

The unit on consistency produced guidance documents. The Commission also had a consistency board and discussions on interpretation had been held with the legal unit. However, there were limits and it was impossible to anticipate questions when preparing guidance documents.

The Commission was willing to learn from its mistakes and also had a process with the Management Committee on RD.

The Chair concluded that the working plan of the group could help the CDG members to see how they could support the Commission in its work. Also for the CDG at all the working plan is a guideline for the subjects of the next meetings.

10. State of play and next steps concerning the Rural Networks' activities

a. ENRD activities

The Commission gave a presentation on the ENRD's activities and the calendar of upcoming meetings.

The CLLD LEADER subgroup meeting would be held on 16th February, with the innovation subgroup on 18th February. The next meeting of the steering group would be on 4th March, with subsequent meetings in June and October. The third meeting of the assembly would be in November.

The Commission gave a presentation on the Evaluation Helpdesk, which was available on CIRCABC.

b. EIP activities

The Commission presented the provisional plan of activities for the EIP Agri for 2016, in accordance with discussions during the subgroup on innovation.

- Focus groups – nutrient recycling, sustainable wood mobilisation, the livestock sector, agroforestry, diseases affecting perennial crops
- Workshops: food in cities – short supply chains, new opportunities, urban farming; Forestry – multifunctional role of forests and benchmarking indicators
- Seminar – use of big data and the digital revolution – new business models

Questions from the members:

BirdLife thought that it would be interesting for the ENRD to look at the partnership principle and how it was implemented, perhaps including an evaluation of said principle.

Copa asked how coordination between the EIP and ENRD would be ensured, and how the two networks would collaborate in the two thematic groups to be launched by the ENRD.

Answers from the Commission:

The ENRD was already working on partnership and had no plans to evaluate the principle at the moment.

Reports had been published on thematic work.

Regarding the evaluation of agri-environment-climate measures, there was a need to discuss the different tools that could be used with the Evaluation Helpdesk.

It was possible to subscribe to the newsletter of the Evaluation Helpdesk (link provided at the end of the PPT presentation).

EIP activities were based on the objectives of the networks, but they also had individual activities. One activity could help other activities. The system could be improved, but the Commission faced problems due to a lack of staff.

The Commission stressed that the level of coordination between stakeholders on the themes was vital.

The Chair concluded that it was also up to the stakeholders to influence the Rural Networks to ensure that they had a positive effect on rural areas. The message is to be active. The message is not to wait and see what happens.

The Chair stated that the CDG needed to continue discussions on this topic in the future.

11. Short info point: preliminary results of the pilot project “Exchange programme for young farmers”

The Commission gave a presentation that was available on CIRCABC.

Questions from the members:

Copa asked how DG AGRI collaborated with DG Employment, mainly for Erasmus.

Pan Europe mentioned that Slovenia had launched a public tender for knowledge transfer and there was no fair competition, as there was price dumping by the national advisory service. This had an effect on the quality of the service provided, as they could not offer the same results, as they did not have the technical expertise.

ELARD asked if the focus was only on farmers.

Copa stated that this was a very good initiative and was easy to implement.

Answer from the Commission:

70% were farmers and the programme was for entrepreneurs. DG Employment and DG AGRI's activities were complementary. Tenders varied depending on their type and whether they were financed outside of the ESIF. They could not comment specifically on the Slovenian tender case.

12. AOB – European Rural Parliament

The idea was to gather the interests of local people to discuss rural development. The second meeting was held in Austria. There were 240 delegates from 24 MS and 10 other European countries.

The event also looked at opportunities provided by the rural development policy.

A similar event would be organised in two years' time. The organisers were working on more detailed topics.

The Chair concluded that a lot of subjects were discussed, with some very interesting debates.

We were all fighting for jobs, growth and the environment, and we should continue this work and good collaboration.

Disclaimer

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