FINAL MINUTES

Meeting of the Civil Dialogue Group Rural Development 27/02/19

Chair: Mr Peter PASCHER (COPA)

Organisations present: All Organisations were present, except EEB, EuropaBio, FoodDrinkEurope

- 1. Approval of the agenda (and of the minutes of previous meeting¹)
- 2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

2. Future CAP

- State of play of the process

COM presented the state of play of the negotiations on the CAP and rural development.

The Council has been discussing intensively under the Austrian Presidency. They went through all the articles of CAP plans and horizontal regulation and they already had meetings under Romanian presidency. The intention of the Romanian Presidency is to progress as quickly as possible. Presidency is working based on a partial general approach. The general impression is that the result based model is quite well received and it is well understood. There were attempts to reduce the requirements for monitoring and reporting. The discussion in the European Parliament is less structured. More than 8000 amendments have been tabled by the EP on the three CAP regulations, some 6000 of which concern the CAP Strategic Plans Regulation. Contrary to Cohesion Policy, no mandate has been agreed by any of the two co-legislators.

The Chair noted that we are only talking about the process. Also asked about the transition rules.

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¹ If not adopted by written procedure (CIRCABC)

ECVC asked about the transition rules. There will be no CAP plan by 2021. Farmers need to know what the future holds. Will a transition period be foreseen, and if so of which duration?

COGECA asked about the approval of the CAP plans and whether it will be approved as one also in the case where regional aspects of the plans would be delayed.

Birdlife asked about the progress of MS and what is the state of play on the partnership principle in the proposal.

COM answered that the working assumption is towards having the CAP regulations approved by January 2020. Therefore, discussions on a transition period are not on the table at this point. But, as former MFF periods showed, the COM of course will react to how the approval process roles out and ensure continued implementation of Rural Development. As regards the CAP plans, the legal proposal includes the possibility to have partial approval of the plan, provided that the overall consistency and coherence of the plans is demonstrated. The COM confirmed that the partnership principle is part of the legal proposal and that the COM is keen to defend it in the negotiation process. It is good that some MS have started working on their SWOT analysis.

Members of the CDG agreed with chair that the discussion should be continued in the next meetings.

- The Agriculture Knowledge and Innovation System

COM made a presentation on this point and it is available in CIRCA BC

COGECA asked what is the link between the current EIP-AGRI networking facility and the future CAP.

They provided an example from Portugal – where the current advisory system works within professional cooperations and they do not think that changes are needed in the context of the future AKIS.

Birdlife asked about the current Operational Groups (OG) and the link to environmental improvement. They consider that it is quite difficult to address biodiversity and environmental issues. They have mentioned de minimis state aid regulation is also an issue. OG should allow testing and creating new knowledge also for environment.

Via Campesina asked to what extent the family farms will be taken into account in the future AKIS and how this will reach them. The current advisory system is not functional in this regard. On advisory system they have mentioned that they had problems with public procurement. As an example, in Portugal the current system is only just starting up. There are thematic areas that are simple, e.g. filling in the farm book, and they would not like to change the system.

COPA asked how open are OGs in order to include new partners who are outside the sector. The issue of financial resource is also important, e.g. the cost for setting up an OG.

Concerning the inclusion of advisory services in the AKIS COPA asked what kind of requirements would be applied and how the flow of information will work. COPA stressed the impartiality as an key asset for advisors and asked also if the Commission is providing information for the certification of these advisers or if this is left to the MS.

CEJA have mentioned that in CZ 90% of the OG are not linked to farmers, it is very linked to the ministry.

Answers from the Commission

The EIP-AGRI Service Point is mainly involved in the practical part and the implementation of the EIP-AGRI annual work programme 2019, while the Commission is negotiating with the Council and the EP on the future legislative proposal for the CAP post 2020. COM mentioned that we should not overestimate the changes as they are not asking to change what is working well: a SWOT analysis will be done in this regard. COM stressed that public procurement was taken out in the Omnibus regulation, and that there is no intention to introduce it again in the new CAP. COM underlined that at EU level, the proposal is not requesting certification. The advisory contexts are so different in the MS that COM does not want to have strict rules at EU level, although it may be positive to set minimum education levels and minimum hours of training per year for advisors for instance. COM agreed that impartiality of advisers is an important point. Concerning the setting up of OGs, annex I is not hindering tackling environmental aspects, many good examples of environmental oriented OGs are already available. The de minimis rules could be apply per entity - there are guidelines for State Aid for EIP OGs. COM stressed that they want OGs to focus on cooperation and co-creation to improve the impact and applicability of the project results. Researchers are very welcome to cooperate in the OG projects. Other resources cover already the usual research done by researchers only, no need to fund this with Rural Development Programmes. COM added that researchers are there to cooperate and not to dominate the OG. AKIS looks like a big system from outside but it is not true – thinking about knowledge flows in the AKIS brings an opportunity to improve things and in case small farmers are not well addressed it is important to make sure that this is included in the SWOT analysis. I AKIS is something new, exactly as the EIP and OG were new in this period and the latter have been embraced eventually. If duly justified and within the agreed project budget, projects may include or exclude partners, after agreement of the Managing Authority. Also, with the introduction of advance payments, the starting up of an OG project will be made easier. With the omnibus regulation COM have included even more simplified cost options that could help and this has a great potential that should be used.

The Chair concluded that it is important to be pro-active on reflecting if the AKIS is working well and what should be done more or better. How the AKIS will be improved depends a lot on the MS and the interventions they put in their CAP plans. He said also that we need to do more on innovation for agriculture sector.

- Risk management

COM made a presentation on this point and it is available in CIRCA BC

COM explained the importance of risk management tool for farmers. It also explained the different instruments in the current CAP – insurance premium, mutual funds, income stabilisation tool and sectorial income stabilisation tool. The last one has to be duly justified in order to be implemented by MS. According to proposal for a CAP Strategic Plan Regulation, the set of eligibility conditions will be simplified in accordance to the result-based approach; furthermore, MS are provided with the possibility to introduce additional innovative tools which are not specified at EU level.

COPA asked about the methodology for the calculation of losses and setting up a mutual fund, which requires an integrated approach to move to more solid system. Will the producers have to set up this tool on their own? Could it be possible to use Financial Instruments?

Via Campesina mentioned that in Portugal the insurance scheme is linked to mutual funds. What is the real impact of these kind of tools? They have a lot of doubts on putting this measures in RD, since an increase of the uptake of these tools may limit the implementation of other measures.

Euromontana commented on the French situation, they wanted to bring down threshold to bring more farmers on board. There are some difficulties on grassland and their monitoring. Interested in using these kinds of schemes for the future.

COPA commented that these measures should be voluntary for the farmers and for the Member States. Is there a possibility to have the threshold at 20% of the average income of the farmer? It would be more realistic.

Birdlife said that these schemes can lead to more risky behaviour – increased use of water resources, creating moral hazard. Leakage of funds to insurance companies.

Answers from the COM

COM answered that they do not see a problem for using financial instruments. The aim of the mandatory character of the intervention in the next CAP is to promote the risk management tools in the MS and, where necessary, to complement the already existing instruments, but it does not mean that all farmers have to participate. In any case, despite the compulsory nature of the risk management tools, there is no minimum budgetary threshold to be respected. As regards the risk of promoting risky behaviours; however, it has to be taken into account that at least 20% of the losses remain with the farmer, and that the farmer would act as an entrepreneur whose choices aim at maximising their income. Anyhow, the tool only provides short-term relief and not long-term protection of farm businesses. There are some safeguard tool to prevent leakage of money to insurance companies. It may be possible to use Financial Instruments; however, there is no intention to establish a "fi-compass-like" tool for risk management tools. It is up to the Managing Authority to ensure a proper expenditure among the different measures of the programme, which ensures the achievement of the objectives of the programme. European funds should be used in an innovative way to promote these tools.

The Chair concluded that in times of climate change, risk management systems are gaining importance. The discussion in the CDG on RD should be continued.

3. Study on "The Civil Dialogue Groups for the Common Agricultural Policy –

Analysis of EU Policy Consultation" (information point)

Mr Ebert from the consortium responsible for this study gave a presentation on the policy study on CDGs. How they contribute to the EU decision making process? How the groups are represented? Are the meetings efficient? The consortium has standardized approach on data collection. They will also organize a workshop and look at possibilities of optimization. Ten case studies will be conducted. We will receive an invitation for an online survey soon.

The presentation made by the contractor is available on CIRCA

They have mentioned that they will look at the role of the CDG in the overall consultation and also on stakeholders involvement and how they fit to several processes.

Some of the questions that they have are - How everything works – who is represented? Why other are not represented?

They look at Four areas and any possibility for optimization.

- Essence of CDG
- Overall context
- Composition
- Organisation and functioning of CDG

Questions

Birdlife said that they are expecting more information – the timeframe; when the report will be published. They have said also that they need to see how we make the link to the CAP networks. Some proposals for improvements will be welcomed. Follow up process is not clear.

COGECA welcomes this kind of study – the CDG are important forum for discussion. They have mentioned that it is difficult to see how the discussion are taken into account by the Commission.

ViaCampesina mentioned these spaces are very important and that maybe there are issues with representativeness. They think that the survey should be used to hear people voices and this needs to go wider.

Euromontana stressed that it is important to have active members that are directly or indirectly link with the implementation of the relevant policies.

COPA underlined that we need a balance representation and geographical balance to cover the voice of all rural actors. Representatives of the sectors involvement is important. They have mentioned also that the cost for the meetings could be reduced (mainly travel costs) if agenda is sent in advance.

Birdlife asked about the link with the European networks - and if this is in the scope to see the links on the efficiency and effectives.

COPA proposed for the future fewer presentations and more dialogue.

CEJA thinks that EU approach aims for more citizens participation. Therefore we cannot eliminate meetings – only two times for years farmers and their representativeness is already not enough.

Answers from the consortium

How the discussion will take place in the future – this is something that we will find out. They are at the beginning of the process. Cost will be considered. Also links with other stakeholders networks. Language availability is an issue – useful information. What are we planning – tender reference – 8-9 months to implement everything – we have short time available. They have mentioned that members of the CDG will be contacted very soon. There will be an on-line survey in March and after they will decide who we will interview. They want to visit all CDG as quick as possible. Case study – in the next months before summers. Mid July – half day workshop. They hope that the report will be published and made available but when we do not know yet. Commission will help in deciding who will be contacted. Data protection requirement needs to be taken into account – to contact members of the CDG. Evaluation – measuring process – is difficult if you cannot use figures. More qualitative focus.

Birdlife asked to take into account other members from the assembly.

Copa mentioned that the languages should be established when we know the delegation is fixed.

Chair mentioned that the group is interested to contribute to this important discussion and we look forward to get the invitation. The attempt to measure the success of CDG is surely useful, but to build Europe is much more than this.

4. AECM - Lessons learned

Mr Alex Datema presented the implementation of AECM in the Netherlands. Main activity of the members of Boerennatuur is to design the AECM, they are 40 groups of farmers, focus on farm bird land protection and landscape maintenance. Focus on habitat level and not on farm level approach. Work together with professionals. Farmers have contracts with the cooperatives, the cooperatives have contracts with the government. The cooperatives are controlled by the state, not the farmer. This makes it easier for the farmer who is only controlled by his cooperative in a relaxed way. We should decrease

the conditionality rules in order to have a bigger margin of manoeuvre for the voluntary measures.

WWF asked about how they can use the cooperative approach in Germany. Do you include consulting in the management costs (which are 15 to 20 %). Do you think it could be extended to water quality soil health measure. Would be the decrease of 15% of DP and dedicate it to eco scheme possible.

ELARD complimented the Dutch on cooperation. The LEADER methodology is prominent in this approach. Have they considered using it for their measures?

Euromontana said that the collective approach is more efficient. They should have the possibilities open. There are more ways to reach the same objective. The farmers are not against the environment. The obligatory approach is not the best. We can do more for farmers and environment on a voluntary basis.

COPA complimented on the savings on cost. Does not agree on lowering of the direct payments, the situation in Portugal is already difficult.

CEETAR asked whether they had made AKIS in their collective approach lately.

CEJA complimented on the positive picture of farming. Farmers should have the possibility to decide on what they want to do for environment.

COPA likes the habitat approach. The method should involve traditional methods.

Mr Datema answered that 15 to 20 % of the costs indeed are for the management, they are working very efficiently. They are also working on the water quality together with the water board. They are currently not working with soil issues. Believes that 50% of the DP should be dedicated to eco-schemes. The LEADER approach is indeed something they use, but do not use the funds. Farmers in the Netherlands are used to work together. It is not okay to have some many obligations for receiving the direct payments. They do not use the AKIS but they are trying to build a knowledge network. They complement the comment from CEJA that 50% of Pillar I should go to eco-schemes. In the new CAP system they should focus on the landscape protection. Every farmer should have the margin of manoeuvre to participate in the voluntary measures. Less conditionality and less direct payments should make up for that. We need to have enough money to draw farmers to the environmental measures.

5. The green architecture - Outcome of the Roundtable on the Green Architecture

Zelie Pepiette and Alberto Arroyo Schnell presented the outcomes of the stakeholders, highlighting the participatory principle. The roundtables were about bringing people together. Invited people who participated to take the floor and share their views.

WWF commented that the discussion was very good, but rather very late. This format promotes dialogue. Very honest and lack of superficiality. Very good tool, use it regularly. We should not be afraid of this new communicating techniques.

COPA reacted that we are all honest. Lack of human resources. More human based approach.

COGECA complimented on the approach, but said that the language barrier is also an issue.

Mr Arroyo Schnell said that it would have been positive to have this debate earlier, but it is also positive to start it now, as soon as possible, as it is also important for sustainable agriculture not only CAP.

6. The future Cohesion policy and its objectives on rural development

COM made a presentation on this point and it is available in CIRCA BC

COGECA asked about the excluded actions from ERDF – broadband.

COM answered that it will be possible to support broadband, but only in areas where there is a weak connection (i.e. there are less than two broadband networks pf equivalent category).

COPA asked about the contact between CLLD and RD. Policies around the social cohesion fund and rural citizens as potential beneficiaries.

COM answered that cohesion policy will continue to provide support in rural areas in many different subjects. ESF+ only focus on policy objective 4, "a more social Europe". ERDF, ESF+ may fund the CLLD, including a joint CLLD with EAFRD (e.g. using the "lead fund" approach). As regards the lighter VAT eligibility rules proposed by COM, these are easier to implement, VAT is eligible only for actions under a threshold of 5 mln EUR.

ELARD asked about the possibility of 5 % ring-fencing for rural development from ERDF.

Euromontana asked about the decrease of funds for rural areas and these funds going to urban areas. We need a more proactive approach in promoting rural areas. It will be difficult to counteract this trend.

COM explained the new rules as regards the partnership agreements for post-2020. The Member States will have to explain in the CAP Strategic Plan the complementarity in relation to other funding policies. However, EAFRD will not be covered by the partnership agreements; it will be covered by the CAP Strategic Plans. There were many complaints from managing authorities in 2014-2020 about having to deal with two different legislative frameworks, i.e. the Common Provisions Regulation and the CAP regulations. There are certain discrepancies in the different legal acts. Furthermore, the Commission underlined the need for a coherent system for the CAP as a whole. Therefore, the two Pillars should have same financial rules and the same delivery system. Complementarity of the funding must nevertheless be ensured..

COM answered that in the ERDF the objective of local development will be given prominence through a dedicated policy objective 5 "a Europe closer to citizens". It is necessary to describe the territory's potentials and challenges and ensure targeted support. Partners should be involved in the programming right from the start. There should be enough funds to address the issues in mountain areas, sparsely populated areas. Urban earmarking will be 6% with the remaining 94 % that could be used for rural

development, but there is no ring-fencing. There is competition between the different stakeholders.

7. The Bioeconomy in the future CAP strategic plans (information point).

Presentation from DG AGRI and IEEP. They are available in CIRCA BC

Questions

COGECA - bioeconomy is nothing new for farmers and forest owners. Is bioeconomy mandatory for MS to be addressed in their CAP Strategic Plans?

COPA – we have a cluster in bioeconomy in IT; a sustainable use of resource is crucial; they fully support the direct link to farmers; it is crucial to enhance cooperation in the value chain but also between various EU and national funds

Birdlife – coupled support for short rotation and no food crops that could replace fossil-based materials – what is the whole situation on this?

Answers from the COM

It is important to help MS to better understand what are the opportunities when defining in the CAP Strategic Plans interventiond relevant jfor the bioeconomy. Bioeconomy is an opportunity for rural areas and agriculture. Raising awareness about the opportunities is crucial, mainly in countries where there is no strategy on bio economy. The ENRD thematic group on bio economy is a good opportunity for stakeholder involvement. The MS would have to explain, if relevant, why they are not addressing the bioeconomy and why – based on the SWOT analysis. Fhe Commission will pay attention to these matters. Voluntary coupled support is optional and limited in budget.

The Chair concluded that the bioeconomy is an opportunity and we need to be part of this integrated approach. The CDG on RD will continue this discussion

8. Future of the EU Rural Networks including the outcome of the EU Rural

Networks Assembly (discussion point)

The legal text speaks about a single network but the different functions of today's setup will be possible. The discussion is ongoing and there are no conclusion from the Commission.

Questions

Chair remembered former discussion within the CDG on RD: The CDG is focused on more political aspects; the networks have the task on the implementation of the policy.

ERCA mentioned that this is a step forward to set up these networks and stakeholders involvement is important. Keep and develop it.

PREPARE a lot of aspects that we could discuss – communication with local people is crucial how we can do it with a single network at national level and have an efficient structure. The representativeness in the European networks is important.

COPA stressed the importance of a single language and vocabulary from EU and a clear message; it is important to avoid ambiguous communication and have a joint strategy of the network.

Birdlife - mentioned that they hope that the ENRD-Event at 11th and 12th of APRIL will give the opportunity to have exchanges of good practices. They have asked what is the role of the networks in the work on SWOT and the needs assessment? The link between the work of the EU networks and future objectives of the CAP.

Euromontana – the networks should be the place to discuss the implementation of the policy and what is working well.

Cogeca underlined that there is a need to continue with the current structures but we need to ensure more coordination and cooperation in the future.

Answers from the COM

On 11-12 April – the event of ENRD is confirmed, please register. Best practices will be presented and will be a good opportunity to exchanges knowledge and look at the next steps. Lessons to be learned maybe also from the NRN and their strategies and what is working. In April there will be a session on AKIS and innovation. The solution are not yet there how to ensure this coordination and cooperation in case we have various contracts for the CAP network. ENRD funds are available to support the preparation of the future network. In the rural networks assembly we have discussed the functions of the networks. The minutes on the assembly are available on the ENRD website.

The chair complimented the representatives of ENRD, EIP-AGRI and the Evaluation Help desk for their work and engagement. He concluded that we need also to discuss on the things that could be improved in the future.

9. Suggestions of items for the next Civil Dialogue Group

Proposal from the Chair:

- Future CAP
- Bioeconomy
- Future of CAP networks

Proposal from Birdlife:

Approval process of the CAP plans, to see how member states are proceeding

COM answer – there will be state of play, but no final decisions

Euromontana supported this proposal for point, even if it only be a state of play

Eurogites proposed to have a discussion on CDG for the new Comission a state of play exercise,

Ideas for eco-schemes

10. AOB

Nothing was discusses under this point. It was noted that we do need better quality of air in the room.

4. Conclusions/recommendations/opinions

5. Next steps

Continuation of the discussion on the future CAP is crucial as well as on the future CAP networks.

6. Next meeting

Next meeting in October

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

Dialogue Group Rural Development 27/02/19

MEMBER ORGANISATION	Name	FIRST NAME
Association for the European Rural Universities (APURE)	JEAN-CLAUDE	Gaullet
Association des Régions Européennes des Produits d'Origine (AREPO)	ALAMPI	Francesca
Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles, Ruraux et Forestiers (CEETTAR)	STEINBUSCH	M.
Conféderation Européenne des Propriétaires Forestiers (CEPF)	KOCH	Hélène
Euromontana (Euromontana)	FAYEL	Dominique
European agri-cooperatives (COGECA)	ATS	Kerli
European agri-cooperatives (COGECA)	BJÖRNSSON	Sofia
European agri-cooperatives (COGECA)	HODALIC	Tomislava
European agri-cooperatives (COGECA)	HORVATH	Dora
European agri-cooperatives (COGECA)	LOPES	Leonor
European agri-cooperatives (COGECA)	POSPIECH	Jerzy
European agri-cooperatives (COGECA)	RAMIRO CASTRO	María belén
European agri-cooperatives (COGECA)	VRUBLOVA	Katerina
European agri-cooperatives (COGECA)	ZELČS	Valters
European Agroforestry Federation (EURAF)	PALMA	Joao
European Agroforestry Federation (EURAF)	SILVA	Pablo
European Coordination Via Campesina (ECVC)	SANTOS	Pedro
European Council of Young farmers (CEJA)	CASTILLA BARÓ	José maría

European Council of Young farmers (CEJA)	FÉNIX	Tomáš ignác
European Crop Protection Association (ECPA)	AURELIE	Dhaussy
European farmers (COPA)	ÁGUAS	Paulo
European farmers (COPA)	BAUER	Karl
European farmers (COPA)	BRADY	Joe
European farmers (COPA)	CARO CALVO	Antonio
European farmers (COPA)	FRANCIS	Andrew
European farmers (COPA)	JAUMOTTE	Isabelle
European farmers (COPA)	LAPPALAINEN	Juha
European farmers (COPA)	MASTROGIOV ANNI	Domenico
European farmers (COPA)	NEAGU	Oana
European farmers (COPA)	PASCHER	Peter
European Federation of Rural Tourism (Eurogites)	EHRLICH	Klaus
European Forum on Nature Conservation and Pastoralism (EFNCP)	STEFANOVA	Vyara
European Fur Breeders' Association (Fur Europe)	GONO	Adam
European Landowners' Organization asbl (ELO asbl)	PADOURKOVA	Adela
European Landowners' Organization asbl (ELO asbl)	ROCHA	Ana
European Landowners' Organization asbl (ELO asbl)	SILVEIRA	Pedro
European Landowners' Organization asbl (ELO asbl)	THERIAGA	Cláudia
European LEADER Association for Rural Development (ELARD)	LUND	Kirsten birke
European Liaison Committee for Agriculture and agri- food trade (CELCAA)	D'AMARIO	Angelantonio
European Milk Board (EMB)	VAN KEIMPEMA	Jantje sieta

European Rural Community Alliance (ERCA)	NILSSON	Staffan
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	BARBOSA	Barbara
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	DE LA VEGA	Nicolas
Pesticide Action Network Europe (PAN Europe)	SLABE	Anamarija
PREPARE Partnership for Rural Europe (PREPARE)	ĀDLERS	Āris
Ruralité-Environnement-Développement (RED)	NEVEN	Marie-noël
Stichting BirdLife Europe (BirdLife Europe)	BRADLEY	Harriet
Stichting BirdLife Europe (BirdLife Europe)	JORDANA	Ines
Union européenne de l'Artisanat et des petites et moyennes entreprises, aisbl (UEAPME)	ZABŁOCKA	Magdalena
WWF European Policy Programme (WWF EPO)	MEISSNER	Matthias
WWF European Policy Programme (WWF EPO)	RUIZ	Jabier
(additional expert)	BOWYER	Catherine
(additional expert)	DATEMA	Alex
(additional expert)	EBERT	Volker
(IUCN, additional expert)	ARROYO	Alberto