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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate A – Strategy & Policy analysis **The Director**

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MINUTES

WORKSHOP ON GOVERNANCE AND PERFORMANCE

JOINT MEETING WITH

THE MEMBERS OF THE CIVIL DIALOG GROUP ON CAP STRATEGIC PLANS AND HORIZONTAL MATTERS

AND

THE MEMBERS OF THE EXPERT GROUP ON THE IMPLEMENTATION OF THE CAP STRATEGIC PLANS REGULATION

on 12 April 2024

Chair: DG AGRI A.1 (Policy Perspective) and DG AGRI A.3 (Policy Performance)

1. WELCOME AND HOUSEKEEPING RULES

AGRI Unit A.1 (Policy Perspective) welcomed the participants to the Workshop on Governance and Performance and explained the technical aspects of the meeting and housekeeping rules of the online meeting.

Delegates from Member States and representatives of organisations gave consent to associate the name of Member States and organisations to questions raised or comments made by the relevant delegates and representatives in the minutes of this meeting.

1.1. Presentation of the agenda by the DG AGRI Director of Directorate A (Strategy and Policy analysis)

The Director of Directorate A (Strategy and Policy) Catherine Geslain-Laneelle opened the fourth Technical Workshop, explaining that the aim was to gather knowledge, views, and experience from the participants to prepare for the CAP post 2027. The agenda for this meeting was structured, as the related <u>Discussion Paper</u>, around three key themes: (i) combining performance on implementation and performance on objectives, (ii) designing efficient administrative processes to support delivery, and (iii) fostering an inclusive dialogue and building trust.

In regard to the first session of the meeting, the Director emphasised the importance of recognising that the new CAP (i.e. as of 1 January 2023) is more performance-based

than before, which should allow to demonstrate that the CAP is making a difference. The performance-based approach would need to be strengthened and balanced to address the needs of the farmers and of the whole society. The goal is to have a policy which remains common while allowing for flexibility for Member States and taking into account the diversity of the European farming sector.

The second session would focus on efficient administrative processes, reduction of the administrative burden, and further simplification. The recent farmers' protests underscored the importance of these aspects, and the Commission has already been working on reducing unnecessary and unjustified administrative burdens, in particular for the farmers. Some proposals have already been put forward. Simplification should however not mean reducing the ambition to support farmers in delivering ambitious environmental and climate practises, while also protecting the financial interests of the EU. In the Workshop, the results of the survey 'Simplification – the farmers point of view' would be presented for the first time. The results will undergo further analysis and deepening through interviews with farmers enhancing the understanding of the farmers' administrative burden using an evidence-based approach.

The Director concluded by indicating that the third session would focus on fostering a more inclusive dialogue and building trust, which was part of the conversation in relation to the recent farmers protests. The importance of having a comprehensive dialogue with farmers and all the stakeholders of the food chain, beyond mere consultations, was emphasised, thereby ensuring greater commitment and enhancing the chances of successfully implementing the policy and achieving its objectives.

2. NATURE OF THE MEETING

The Workshop on Governance and Performance was open to appointed representatives of the Member States and members of the Civil Dialogue Group on CAP Strategic Plans and Horizontal Matters. The meeting documents and presentations are available on https://circabc.europa.eu/ui/welcome.

3. LIST OF POINTS DISCUSSED

3.1. Setting the scene

AGRI A.3 (Policy Performance) gave a presentation with the title 'Harnessing the potential of the CAP delivery model – scene setter' to share main observations and set the scene for the meeting. First, a description was given on the new delivery model, which aims to promote a strategic and integrated approach towards the agricultural sector and rural areas. While ensuring commonality, it recognises the specificities of each Member State and their needs, as identified by the recommendations of the Commission and the needs assessments of the Member States. The new performance-based delivery model entrusts compliance to Member States and sets a strong focus on delivering on results. It enhances the importance of indicators and quantifying the results. Due to the substantial budget of the CAP, the expectations for accountability are high.

Secondly, the Commission acknowledged that calls for reducing administrative burden and simplification have grown, though the importance of delivering results should go hand in hand. The CAP is a complex policy with common policy objectives (e.g. economic, environmental and social) while needs are heterogeneous across Member

States, regions, farmers and other beneficiaries. Addressing the numerous needs that contribute to all those objectives results in complex intervention logics. While 2 500 interventions have been planned by the Member States, the setting of certain targets has proven to be challenging (e.g. for new interventions with uncertain uptake, for market measures). Transitioning to the new delivery model incurs high costs and a steep learning curve. Developing adequate digital, analytical or advisory capacities requires also time and efforts. The approval and amendment of CAP Strategic Plans has been time-consuming, raising questions about the appropriate level of detail in CAP Strategic Plans, while compliance, performance and reporting requirements remain still numerous. Progress has been made in learning and simplification, but there is still scope to see together where processes can be further fine-tuned. The shift from regional to national strategies adds complexity and implementing the partnership principle has not always been straightforward. Priorities and the level of ambition need to be defined and to be effective, and key targets must be endorsed by all actors.

3.2. Session 1 - Harnessing the potential of CAP delivery model: combining performance on implementation and performance on objectives

Ireland gave a presentation titled "Combining performance on implementation and performance on objectives: Experiences from developing Ireland's CAP Strategic Plan". It displayed Ireland's experience in developing the performance framework for their CAP Strategic Plan. Stakeholders were engaged throughout this process through the CAP Consultative Committee. They provided comments on the SWOT and helped to identify and prioritise the needs to be addressed through the interventions. Open dialogue with stakeholders at both the national and EU level was key to determining the objectives, interventions and targets. One lesson learned from this process is that the continuity between CAP programming periods is necessary to allow for the consistent reporting of indicators to enable comparison between different programming periods, as well as to provide continuous data for future analysis and evaluation. It is also important to emphasise the importance of impacts going forward and to encourage greater collaboration between the Commission, national governments and research institutions to develop methods for evaluating impacts. in order to improve efficiency. Ireland underlined the importance of avoiding the existence of several mandatory schemes at the EU level and allowing Member States the flexibility to design tailor-made CAP Strategic Plans. Lastly, Ireland drew attention to the administrative burden placed on Member States to report on both compliance and on performance in this programming period, noting that large scale audits on compliance deviate from the performance-based approach of the New Delivery Model.

Agroecology Europe (AEEU) gave a presentation with the title "Harnessing the potential of the CAP delivery model: How can agroecology provide systemic and consistent indicator systems to improve the CAP implementation and objectives?". AEEU introduced the 13 principles of agroecology and their relationship to the CAP objectives, which can be observed through a farm-level indicator system designed by AEEU called the Original Agroecological Survey Indicator System (OASIS). This is one of the first analytical frameworks specifically designed to assess where a farm is on the trajectory of transition towards agroecology and links on-farm data collection with farm advisory services in five dimensions: farming practises, the economic viability, the socio-political aspect, environment and biodiversity, and resilience. AEEU presented some examples of the use of OASIS, and the need to connect farm-level indicators with landscape level.

AEEU provided a <u>link</u> for those interested in learning more about the OASIS system. AEEU shared a recent scientific paper showing the positive impact of agroecology on <u>socio-economic indicators</u>, of which the results indicate the potential for farms to experience favourable socio-economic performance.

The Commission highlighted that biodiversity is an area where further indicators should be developed and acknowledged the ongoing work of the European Environmental Agency, Directorate-General for Environment and the Joint Research Centre on this. The CAP is not only a matter of environmental delivery but goes hand in hand with the economics of the farms and the social aspects.

After the presentations, delegates from Member States and representatives of organisations raised the following questions and comments.

European farmers/Committee of Professional Agricultural Organisations of the European Union (COPA) commented that indicators should not be viewed as an end in themselves but be used to achieve CAP objectives effectively and resource-efficiently.

The Commission stressed that indicators bring value to the debate and allow for evidence-based discussions. They demonstrate the delivery of the CAP, ensure accountability, and help to defend the CAP budget.

COPA/IFA (Irish Farmers' Association) underscored the significance of stability, particularly from a farmer's perspective, to foster greater certainty for farm investment and improvements which would bring environmental, economic and social benefits. The complexity faced by administrative parties and consequent additional costs borne by farmers (e.g. delayed payments) was also highlighted. More proactive, targeted, and regular communication with stakeholders in advance of any anticipated potential issues was suggested. Regarding improvements to the CAP, COPA shared its concerns about budget allocation due to the increase in CAP objectives and their broad nature. There is also a substantial erosion of farm support in real value, even before external crises. COPA underlined the need for a separate independent fund for environmental actions.

COPA/IFA and the European Coordination Via Campesina (ECVC) advocated for more and enhanced economic and social monitoring (i.e. indicators) on environmental issues.

The European Employers' Group of Professional Agricultural Organisation (GEOPA) asked if the indicators used by Terres Vivantes in OASIS (as presented by AEEU) related to various Good Agricultural and Environmental Conditions (GAEC) and Eco-schemes in Belgium - Wallonie or extend beyond the indicators used in the CAP Strategic Plan.

AEEU clarified that the indicators utilised by farm advisers from Terres Vivantes surpass the scope of the CAP Strategic Plan and explained that the OASIS methodology could be applied through a conversation with farmers seeking a comprehensive understanding of their farms and how to move towards greater resilience and sustainability. AEEU believes that such independent farm advisory services should be expanded and financially supported through the CAP, with a scope to assist and guide farmers in their transition and offering assurance to newcomers to make informed choices regarding production and commercialisation practices.

The European Landowners' Organisation ASBL (ELO) highlighted the positive experience and useful outcomes of consultations conducted with agricultural and environmental stakeholders in France. While the use of some indicators may be

beneficial, it is important to keep their numbers manageable for farmers. It was noted that the French Court of Auditors had criticised the failure of farmers to meet the CAP objectives which came with negative fall-out in the national media, although the reasons for such shortcomings were often beyond the farmers` control, such as adverse weather conditions. There is currently a lack of flexibility with the CAP Strategic Plans to allow for explanations or justifications of such discrepancies between the actual outcome and the set objectives.

COPA emphasised the long-standing call for help from farmers across Europe, particularly regarding the feasibility of the current CAP. Farmers could only deliver on environmental expectations if they are able to invest in their future. External impacts on the market must be considered and the CAP alone is not sufficient to overcome these challenges. Support from other policy areas would therefore also be needed. Regarding market conditions, COPA mentioned the importance of collaborating with consumers and cited the success of the organic farming sector in Austria as an example. COPA called for fact- and data-based discussions and emphasised the need for a comprehensive impact assessment, considering factors like the impact of green architecture, effects of inflation, and energy prices to address the farmers` concerns.

ECVC suggested to switch to impact, commenting that result indicators, even if linked to CAP Specific Objectives, do not offer information on the impact of measures. ECVC also found that the performance of CAP objectives contains a structural error, as they do not consider the presence of three distinct and sometimes conflicting agricultural systems in the EU: (i) highly capitalised agriculture, (ii) peasant economy-based systems, and (iii) intermediate agricultural systems. ECVC emphasised the need for diversified indicators to evaluate the impact of proposed and implemented policies. Furthermore, the crisis in organic farming was seen as the result of growing European poverty.

Sweden argued that the future CAP should lead to profitability, competitiveness, and simplification, while contributing also to environmental and climate commitments. The new delivery model is seen as good basis but needed further adjustments. Targeted interventions for environment, climate, and knowledge could be more efficient than general rules. The shift from multiannual commitments in RDPs to annual eco-schemes is seen as good example to increase the attractiveness and lower the burden on farmers. There is a need for more flexibility, and to reduce the level of detail in CAP Strategic Plans (e.g. regards possibility to adjust targets and unit amounts) while respecting the minimum share of CAP budget and ring-fencing.

Hungary and Sweden emphasised the importance of Member States having flexibility in choosing the tools to achieve the EU objectives, considering varying conditions. They both advocated for ring-fencing of budget allocations as the primary common tool across the EU.

Austria found that the performance-based system should not be questioned but complexities be reduced without compromising the system's effectiveness. For instance, having both the Specific Objectives and result indicators at the same level creates complex intervention logics, making it challenging to understand and communicate on CAP Strategic Plans. The number of indicators is perceived as too high and reporting rules complex. As result indicators do not provide significantly more information there should rather be a focus on output indicators, linking them with Specific Objectives to get strategic interpretation. Outputs are already planned and calculated at the aggregate level by Member States.

COPA/IFA emphasised the need to contextualise outcomes for performance reporting, and to recognise that there is often a time gap between the interventions applied and the realised improvements.

European agri-cooperatives/General Confederation of Agricultural Co-operatives of the European Union (COGECA) viewed the new delivery model as highly positive, though it increased policy complexity, instruments, and monitoring requirements. Managing this complexity should involve not only Member States but also the Commission. Recent farmer protests across Europe highlight the need for policy simplification. The proposals from the Commission are welcomed, but ongoing dialogue with farmers and cooperatives is crucial for further simplification. Additionally, there is a need for more advisory services that help farmers implementing the CAP and meet requirements beyond production.

ECVC/ARI (Associazione Rurale Italiana) questioned who would benefit from simplification, and if it would be appropriate to simplify obligations for farms receiving over EUR 2 million annually.

COPA/DBV (Deutscher Bauernverband) expressed the need to collaborate with consumers. There is an imbalance in the content of CAP Strategic Plans between the various Member States. This is caused both by the requirements of the Commission and the Member States CAP Strategic Plans themselves. Germany's extensive CAP Strategic Plan contains a lot of theory, which is not seen as fit for practice, in particular as regards eco-schemes. There is a need to align strategic planning and to analyse what is possible on-the ground, especially for implementing an ambitious green architecture.

ECVC highlighted the ongoing crisis in the agricultural sector and the need for measures to ensure price stability and the sector's future. Generational renewal is important, as declining farmer numbers pose a significant challenge which should be captured through a dedicated indicator. Furthermore, the CAP needs to address climate change, biodiversity crisis and evolving farm structures. Indicators are important as regards access to food and the diversity of agricultural models to reconcile different approaches. Concerns were raised about excessive flexibility given to Member States and increased digitalisation, which could challenge some farmers needing public services to manage the CAP procedures.

In terms of the CAP better delivering on its objectives, COPA/IFA emphasised the need for planning and resource allocation to accommodate a potentially enlarged EU.

Italy noted the rigidity and inflexibility, the high level of detail, and resulting complexity of CAP Strategic Plans, making them slow to adapt to changing circumstances such as the Ukrainian crisis and the COVID-19 pandemic. The modification process is time-consuming and cumbersome. Despite the latest CAP reform being hailed as revolutionary for its shift from a compliance to a performance-based model, the programme has largely remained unchanged. The level of detail required from Member States in CAP Strategic Plans has rendered the CAP unsuitable for practical needs. The presented simplification proposal is a step in the right direction, but all information that is not considered 'need to know' should be removed from the current texts. This adjustment would grant Member States flexibility to timely respond to changes in the economy, territory, and environment.

ECVC/AbL (Arbeitsgemeinschaft bäuerliche Landwirtschaft) called for stricter EU guidelines and incentives for Member States to be more ambitious regarding ecological actions. Additionally, voluntary measures need to be flexible enough to align with the diverse situations across the EU, not to hinder their uptake. There is a need for better monitoring of socioeconomic aspects in CAP interventions, such as reporting on fairness criteria, Direct Payments by farm size, and other relevant categories like gender, age, and crops.

Hungary acknowledged its initial scepticism regarding the new delivery model, noting that some concerns have become a reality but there were also positive effects (e.g. bringing stakeholders together to consider tools, problems, solutions, and financial resources in the CAP Strategic Plan). There is a need for efficiency in implementation and for simplification, especially considering the burden of annual performance reporting on both farmers and national administrations. The finalisation of the reform was problematic and so would be the implementation in the first years. The area monitoring system, which was believed to be a simplification tool, has faced issues with low-resolution images leading to additional on-the-spot checks and delayed payments. Therefore, Member States should be provided with high-resolution images.

Luxembourg and the Netherlands emphasised the importance of maintaining and continuously improving the existing CAP system.

Luxembourg also highlighted the need for clear information and guidelines to be received in advance so Member States can adjust the necessary aspects in time. Setting appropriate target levels is crucial, especially for certain farmers, and once set, these targets should remain consistent throughout the programming period to avoid system disruptions. The importance of ongoing dialogue with farmers to understand their practical needs and to keep them informed about activities and contributions expected from their side (e.g., regarding data) was stressed, recognizing that farmers have a different relationship with data. There is a strong need for flexibility in the CAP to react to unexpected occurrences.

COGECA highlighted that farmers are not solely concerned about indicators, and shared an experience from Denmark that showed the importance of creating attractive schemes to encourage farmers to align with societal goals.

European Milk Board (EMB) pointed out that the dialogue between government and industry representatives was never an issue in Ireland, starting back in 2019. Despite expectations of simplification being the main driving force of the new CAP, this did not occur and the importance of achieving a balance between the three pillars of sustainability and the challenge of determining how to achieve this was emphasised. The timeframe required to assess the effectiveness of interventions and compliance costs for farmers is a real issue for Ireland. There is a need for Member State-specific approaches and subsidiarity. It is important to find a balance between regulations and compliance costs.

Finland found that the CAP delivery mechanism should provide national administrators all the means to comply with the principles of good governance (i.e. equality, proportionality, objectivity, protection of legitimate expectations, and purpose limitation), along with the importance of serving and advising citizens appropriately. Finland also argued that the system should be designed to attract young people to the agricultural sector, contrasting the competition from other sectors, emphasising the need for secure income and simplification.

European Rural Community Alliance (ERCA) stressed the importance of addressing compliance costs, suggesting the need for ring-fencing, and providing leniency to build trust with farmers. ERCA suggested considering who should fund compliance costs, emphasising the need to understand the challenges of accuracy and variability in weather conditions affecting targets. ERCA also emphasised the need to measure impacts over time, as changes take years to manifest, and highlighted that improving farm biodiversity is a long-term endeavour affected by weather conditions and requires sustained investment for tangible benefits. Additionally, ERCA found there is a need for more social aspects to be measured regarding the impact of the CAP, such as on beneficiaries beyond farmers, on young farmers and rural communities and other rural dwellers. ERCA suggested the inclusion of figures and insights from those involved in implementing Pillar I and Pillar II, along with an assessment of the economic and social outcomes of the CAP.

European Liaison Committee for Agriculture and agri-food trade (CELCAA) acknowledged the importance to discuss the three pillars of sustainability and highlighted various challenges, such as the proliferation of negative climate events and of regulatory instruments and the need for flexibility under a harmonised frame, etc. CELCAA advocated for legal certainty, a comprehensive approach involving all stakeholders in the food supply chain (i.e. Member States, the EU, farmers, organisations, etc.), the need to care for competitiveness and the market orientation, as well as to address the global crisis. CELCAA thanked the Commission for the proposal made on simplification by the Commission.

ECVC/AbL questioned the avenue chosen for simplification in terms of weakening ecological ambitions, such as removing GAEC standards and introducing derogations. When talking about a level-playing field, it is to be considered that farmers who adopt more agro-ecological practices are often small and diverse farms. There is a high need to simplify the detailedness of CAP measures and to reflect the progress made by farms in agroecological practices. ECVC appreciated the criteria proposed by AEEU for describing farms as such criteria could inform payment calculations for providing public goods. It would be a simple way to acknowledge the transition in terms of agro-ecology and social improvements. In terms of indicators and performance, ECVC agreed that there is a need for better covering fairness and socioeconomic aspects alongside environmental indicators and differentiating by farm size, age... ECVC urged to look beyond Direct Payments, such as market crisis support, risk management tools, rural development investments, and support for producer organisations.

The Netherlands is positive about the performance-based approach to the CAP, though it recognised that this approach is still in its early stages and can be further refined. A significant challenge arises from the dual system of reporting on compliance and performance, which has increased the administrative burden. The CAP Strategic Plan needs to be focused and efficiently structured to meet its objectives effectively. During its development, various observations and recommendations may have diverted resources and diluted funding, underscoring the need for flexibility in fund allocation throughout the CAP's lifespan. The Netherlands also emphasised the necessity for timely finalisation of policy debates and enhancements to the CAP Strategic Plans. This includes addressing the complexities of IT systems used by Paying Agencies, which need sufficient time for adjustments to ensure they can provide effective service to farmers.

The Employers' Group of Professional Agricultural Organisations in the European Union (GEOPA-COPA) stressed that all ambitions should match the payments received by

farmers as the cost of ambitions should not exceed the level of payments. Meanwhile, in Lithuania, the implementation of a complex new Eco-scheme has notably increased the bureaucratic load for farmers. This includes stringent requirements like real-time reporting of field activities and obligatory photographs of catch crops and grass from multiple field angles, with little consideration given to farmers' suggestions for simplification.

Germany underlined its strong emphasis on keeping the adaptability and flexibility of its comprehensive CAP Strategic Plan. The Commission's proposal to streamline procedures is welcome and the new delivery model should be further refined. However, timely information is crucial to avoid the pitfalls of last-minute implementation, which previously led to adverse outcomes. Germany advocated for a system that avoids excessive complexity, favouring a balance between effective yet straightforward monitoring. Looking forward, Germany underscored the importance of developing effective indicators that facilitate the comparison of planned initiatives, aiming to show the actual outcomes of the CAP.

ECVC pointed out that there are often inconsistencies between Geographic Information System (GIS) tools and the land registry, which is particularly disadvantageous for farmers, especially those with smaller farms that already receive limited CAP.

3.3. Session 2 - Designing efficient administrative processes to support delivery

DG AGRI A.1. gave a presentation with the title 'Designing efficient administrative processes to support delivery - First insights into the results of the survey running from March 7 to April 8, 2024'. These results will be used to identify concerns of farmers and complexities within CAP and other EU regulations affecting food and agriculture at national levels. Out of the 26 866 received responses, 81% came from farmers applying for CAP support. The survey revealed that nearly 80% of farmers seek assistance in preparing CAP aid applications, with administrative tasks annually consuming five days for more than half of the respondents, and that 36% of CAP applicants were contacted by authorities regarding application errors. An in-depth analysis of the results will follow, along with in-depth interviews with farmers across Europe.

COPA gave a presentation with the title 'CAP 2023 – 2027 First results of simplification survey from farmers' views. COPA indicated that the new delivery model was the basis for food security (which is not a given) and the CAP provided a good tool box for farmers to act. However, decisions need to be taken timely to provide sufficient time for paying agencies and farmers to adapt. In addition, it is the combination of conditionality and intervention types in different regions that provides results for the green architecture, and it would be important to look at the costs of this green architecture, as e.g. with the enhanced conditionality more is asked to farmers in a context of reduced budget. Besides that, farmers expect an ongoing process of simplification and to be treated in a fair and equal way.

The Spanish Paying Agency (FEGA) gave a presentation with the title 'A digital transformation for farmers and rural communities for sustainable future - a global digital project'. The Information System for Agricultural Holdings (SIEX) aims to digitally integrate all available information from the agricultural sector, thereby increasing interoperability. It has two parts: the Farm Registry that integrates various types of information (e.g. crop, owner of holding, machinery register, CAP aid, vineyard register etc.), and the Digital FieldBook that collects phytosanitary treatment and use of fertiliser

information at plot level. The SIEX offers advantages for farmers, such as the reduction of administrative burden and boosting digitalisation while improving farm management and promoting sustainable practices. It also offers advantages to the administrators, such as harmonisation and standardisation, better policy design (i.e. CAP indicators), monitoring and evaluation, protecting EU financial interests, etc. Challenges for implementing SIEX were exacerbated by the recent farmers' protests, resulting in a change to a voluntary approach of the Digital FieldBook that offers incentives for its adoption.

After the presentations, delegates from Member States and representatives of organisations raised the following questions and comments.

Association des régions européennes des produits d'origine (AREPO) underlined the importance of independent farm advisory services.

COPA, Hungary, and Luxembourg requested to receive the survey results per Member State to be able to better analyse the answers given.

Regarding the SIEX, Luxembourg asked who uses the gathered data, how it is used, and how data protection is being implemented.

Luxembourg and BeeLife (European Beekeeping Organisation) pointed out how anonymisation was insufficient if the data was made public.

GEOPA-COPA found that the voluntary approach would be the best guarantee of success for the Digital FieldBook.

The Committee of the Regions (CoR) shared initial results from its second consultation with the Regional Hubs Network (RegHub) regarding the implementation of the CAP at the regional level. Almost all responses indicated that implementation is difficult due to the need to adapt to the new national layer, due to transposition issues, and a lack of understanding of the guidelines, etc. Various responses confirmed a lack of flexibility in adapting the CAP Strategic Plans to the regional contexts in a timely manner, mainly due to the additional layer of national-level involvement. Furthermore, the survey showed challenges in understanding certain indicators and that the level of cooperation between national and regional authorities varied significantly among Member States. Digital solutions in the form of platforms were noted as beneficial in facilitating discussions as well as evaluations of the CAP Strategic Plans in some Member States. The report resulting from this second consultation will include recommendations, emphasising the need for more simplification, regionalisation, consistency, and transparency. Requests for stability in interventions and direct contact with the Commission from the regional level were also highlighted.

AREPO and ELO agreed with the comments made by the CoR.

The Commission noted the importance of having concrete recommendations, particularly on the stability of support and governance schemes and looks forward to receiving the report.

CELCAA assumed that the SIEX would be expanded to other Member States and commented on the importance of digitalisation, also for the planning of CAP Strategic Plans, and its crucial role in the communication strategy regarding the environmental, economic, and social performance of the agri-food sector towards sustainability,

management, competitiveness, etc. CELCAA shared its hope that the digital dimension would not be underestimated in the Commission's assessment for further simplification, in-depth assessment, and the improvement of approaches in general.

COGECA noted the clear need for profound simplification in agricultural policy, noting that a substantive number of survey respondents confirmed they are facing challenges with administrative procedures (i.e. requests to make changes, re-sharing the same type of data, inspections) during the past three years. The importance of advisory services was emphasised by the survey as well, as it revealed that 80% of farmers required assistance to navigate the CAP and 36% accessed this support through their cooperatives. This underscores the key role of cooperatives in improving profitability and value across the agricultural value chain and the usefulness of digital tools and shows the importance of supporting cooperatives and their role in the CAP system for its successful implementation.

BeeLife highlighted that the presented Digital Fieldbook was exactly what it had been asking for years as digitalisation has to be used to decrease the administrative burden of farmers and give interoperable data for public policies. BeeLife agreed on the necessity of data protection and added that digitalisation had to be used when decreasing the administrative burden of farmers, as well as providing interoperable data for public policies.

The Commission noted that the simplification paper sent to the European Council and European Parliament included a reference on working with Member States to ensure that advisory services would help farmers dealing with CAP complexities, particularly during the first phase of implementation.

ECVC argued that the survey did not seem scientifically representative and with Hungary suggested caution when drawing conclusions. ECVC was also worried about the survey's accessibility, as it used jargon which most farmers were unfamiliar with.

ECVC suggested that one should look at the cost of no-action and compare it to the cost of the green architecture. Voluntary measures are supported but in practice there are difficulties accessing them on the whole EU territory. Digitalisation is not necessarily needed to manage a farm and one should be cautious on the overreliance on digital tools instead it may be more appropriate to discuss with people in the field to embrace the complexity of the farm system.

The Commission acknowledged that the shared results were not fully representative, and noted the importance of having direct contacts with farmers. The results will be further assessed and explored in the in-depth analysis. The Commission emphasised that the survey results would be complemented with in-depth interviews of selected respondents, further exploring the various concerns and collecting suggestions on improvements. The analysis will take into account also the various stakeholder groups. The outcome is planned to be published in the form of a summary report at the Europa.eu website in autumn of 2024. The Commission is bound to its privacy statement and can share individual answers only from respondents that gave explicit consent for publication.

Hungary highlighted the need to have legal certainty for farmers amidst changes in the CAP rules and the need for clear communication on the actual rules and requirements in a timely manner. As around two-thirds of farmers require assistance for the application for CAP payments in Hungary it became necessary to strengthen the advisory services. In regard to the SIEX, Hungary asked (i) if the database would feed the monitoring

reporting requirements, (ii) whether the SIEX collected data from different databases or if farmers could also feed the data directly to SIEX from a common platform, and (iii) if farmers could access their own data that was included in the database.

Regarding SIEX, FEGA explained that all data was currently being brought together and integrated and that the sharing of data would occur at the final stage of implementation, making it usable for operators, companies, and other interested stakeholders. SIEX data currently was not used for reporting requirements since the integration phase takes time. In terms of farmer and their data filling obligations, FEGA explained that it is the administration gathering and compiling all data-sources (i.e. CAP and other registered information). In the Digital FieldBook, some information would be filled in by the farmer (e.g. phytosanitary and fertiliser use) but this is currently on a voluntary basis.

ELO noted that to bring forth the agroecological transition, resources for revenue and investing in new practices is required. With inflation, there is a need to increase the level of CAP aids. More agri-environmental climate measures are needed and all three pillars of sustainability should be kept in mind. Although the environmental ambition of the CAP should not be called into question by the need of simplification, more flexibility is needed (on the dates e.g.). Digitalisation and modernisation offer opportunities for new practices but they require also training and investment. Plot-based monitoring and precision technologies were welcomed, with emphasis on data anonymisation in order to protect individuals' privacy.

COPA/IFA commented that increased complexity of schemes erodes available resources and limited the ability of advisory services for on-farm actions, as their administrative role for supporting the application processes has significantly increased, which points to the need for greater simplification and possibly progressive implementation of the CAP.

CELCAA shared the need to have a constructive, non-exclusive approach and pitting environmental, economical, and social aspects against each other was not suitable. There is a need to use new digital tools and instruments for operators and farmers.

Sweden called for proportional rules on controls, penalties and administration to reduce the burden on farmers and simplifying administrative processes. Further discussion on next steps and sharing best practices at expert levels were welcomed. The ability to correct aid applications was a positive experience in Sweden, entailing new opportunities to prevent irregularities and reduce penalties in compliance, and so Sweden called to continue developing this approach in the future CAP. Sweden also shared challenges in area monitoring due to insufficiently detailed requirements and technical limitations, and requested for future discussions to focus on monitoring complex interventions at a reasonable costs without excessively burdening farmers by the use of Geotech.

ECVC/ARI noted that free and public agricultural advisory services were needed, and supporting farmers must not be the instrument by which agricultural organisations impose their services.

For the next CAP, AEEU highlighted the need to prioritise public and advisory services for farmers to provide support for the transition and new practices with a systemic approach, focusing also on the support and training needed by young farmers and to accompany those retiring. When it comes to the implementation of CAP objectives, AEEU underlined the important role of farm advisors in decreasing the burden on farmers and accompanying them in the context of agri-ecological practices and associated risks. Exchanges among farmers at territorial level is also beneficial, thus the

usefulness of light-house farms. AEEU highlighted that they were ready to help Member States willing to develop advice in agro-ecology.

Finland pointed at the need for stability in the implementation of the CAP Strategic Plan during the current programming period. Making changes to the current IT systems would be burdensome in particular for the Paying Agencies. Better digital communication with the Commission was also needed, as the System for Fund Management in the European Union 2021 (SFC) still had challenges and limitations.

COPA underlined that the ecological and digital transitions were difficult to achieve for farmers and an increased budget to foster investments in digitalisation is needed. For the facilitation of the ecological transition, COPA suggested to replicate Council Regulation (EEC) Regulation 270/79 of 6 February 1979 on the development of agricultural advisory services in Italy relating the Development of Agricultural Dissemination, a tool to facilitate the subsequent activation of Agricultural Knowledge and Innovation System (AKIS). It is essential to improve advisory services across all Member States and to have a legal basis for farmers to receive the required support within the application period, also to increase farmers' trust in the system. COPA also emphasised the importance of bringing together members of Civil Dialogue Groups (CDGs), Managing Authorities, and Paying Agencies for discussion, as well as keeping the CAP simple and stable.

3.4. Session 3 - Fostering an inclusive dialogue and building trust

ECVC gave an oral presentation on the CAP governance and performance, highlighting amongst others that the Commission should ensure the quality of democratic dialogue and balance it with the economic interests. If the farmers' place in society is under question, a lack of trust can become a challenge. Furthermore, food prices were among the issues raised during the farmers' protests and should be dealt with effectively by the EU, also because the beneficiaries of food aid do not demonstrate. It shall also be ensured that the CAP is doing enough for climate change mitigation and adaptation, that support is distributed fairly and paid timely. Market regulation should be discussed as well as action in case of crisis.

The Paying Agency of the Swedish Board of Agriculture gave a presentation with the title 'Workshop – Fostering an inclusive dialog and building trust'. The role of the Paying Agency was explained as helping to ensure that the CAP interventions can be implemented with reasonable administration and good control so that funding goes to the correct aspects and recipients. To do so, the Swedish Paying Agency follows three key concepts: openness, participation, and transparency. Several different methods are applied to ensure that stakeholders are involved: cross functional teams, feedback from a broad range of stakeholders on national regulations and/or studies, a simplification group, and close cooperation with other Swedish authorities. The mission of the Swedish government is to analyse and reduce the administrative burden for both the CAP authorities and beneficiaries. It is crucial to design data systems that promote integration and interoperability, as well as follow-up on results that builds trust and reduces the administrative burden.

The Regional Managing Authority from Baden-Württemberg (DE) gave a presentation with the title 'Intervention in Session 3 – fostering an inclusive dialogue and building trust'. Baden-Württemberg is a member of the Coalition of European AgriRegions that defends the role of the regions in the implementation of the CAP and does this by ensuring close and continuous interaction with economic, social, and environmental

partners and long-standing cooperation between regional and national managing authorities. The new CAP implementation model has complicated this dialogue, Germany has appointed a coordinator but the lack of direct contact between the German regions and the Commission is a pity. The added value of merging the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) was questionable. The simplification should result in fewer penalties and more incentive as well as generally place more trust in farmers and Member States.

After the presentations, delegates from Member States and representatives of organisations raised the following questions and comments.

Finland commented that Member States play a key role in keeping the administrative burden for farmers limited and proportionate. However, Member States have no possibilities to rationalise the controls with a view of reducing administrative burden for farmers.

The CoR found that what was presented reflected the trends that the CoR had seen in other CAP-implementing regions, and highlighted the need for collaboration between the different layers of government. The presented German model would be among the best ones, although German regions are not entirely satisfied. In other Member States, regions are less satisfied.

FEGA requested a simplification of the quantitative information in the Annual Performance Report (APR) to focus strictly only on the data needed for the annual performance clearance and biennial performance review.

COPA/DBV stressed that it does not see Germany as a role model for putting green architecture into practice.

ERCA emphasised that trust works both ways and that if the involvement of small/voluntary organisations is to be deepened in stakeholder consultations, a funding mechanism has to be established that would enable them to be involved long-term and build capacity so they are fully informed, as their involvement implicates investments (e.g. coming to Brussels, taking time to participate to virtual meetings, etc.). Also, ERCA found that for consultations to be effective, it is to be a two-way circular process and that one needs to provide feedback on how the provided input was received and/or taken on board in Brussels.

ELO commented on the importance of respecting the diversity of farmers and the different territories. ELO highlighted that farmers have learned to be entrepreneurial to keep their business dynamic and so there is not one single farming model. Farmers should not be pitted against each other but be supported in a manner that allows all of them to respond to environmental, economic, and social problems. There is a need to have dialogue with the Paying Agencies to understand the restrictions within their complex IT systems. Geo-parcel photographing software would be useful for farmers too, as it is seen problematic that a photo can only be taken at the request of the administration, while farmers would like to create security by providing photos to show the state of the land at times of climate problems or diseases. This software could help reestablishing trust between CAP beneficiaries and public authorities.

In terms of feedback loops, COPA/IFA found the idea to provide a rationale on the use of provided input important and to be taken forward. The Strategic Dialogue is important in

the medium- to long-term context and an essential component to build trust. The nature of the discussion is an important element too, focusing on proactive design and engagement rather than informing purely what will happen. In order to build trust, it is beneficial to include a broader range of agencies and farmer organisations (e.g. ecological environment groups). IFA highlighted also that it is difficult to anticipate the derogations and that unfortunately GAEC 2 was not part of the simplification package.

To increase trust, the ECVC underlined the importance of a democratic process that should guarantee in the consultations the representativeness of the agricultural models which are not mainstream and facilitate the participation of small and medium-sized farms. In addition, the use of digital platforms renders this participation more difficult. It was suggested that policy adapts to the three main agricultural models: big farms relying on capital, farms 'd'économie paysanne' relying on labour, and intermediary farms. ECVC explained that trust is also lost when contributions are not taken into account in the CAP Strategic Plan design.

Hungary explained that while drafting their national legislation on controls and sanctions, it was decided to streamline the 'old' EU rules only to some extent as it was considered to be audit-proof. Similar feedback was heard from other Member States, so flexibility was not used to its full potential in fear of negative consequences, which shall be discussed openly.

The Commission recognised that not all opportunities for flexibility were fully seized, probably also, out of fear of being penalised for being too innovative. Keeping the balance between ensuring flexibility in the new delivery model and protecting the EU's financial interests is a key concern and it is also the very purpose of this open discussion between the Commission and Member States in various Workshops and Expert Group meetings. The Commission emphasised its close collaboration with Member States' certification bodies to ensure they understand their role and new tasks in the new delivery model.

Italy suggested that the discussion should focus more on the relationship between Member States, the Commission and the stakeholders, and the necessary distinction between the political topics and the technical topics (i.e. implementation) of the CAP. Furthermore, the results of the CAP need to be more effectively communicated to ensure more opportunities for dialogue and participation of stakeholders. Italy suggested to finetune the APR and to establish it as a tool for external communication to improve the trust relationship (to that end reporting at intervention unit amount level is too detailed).

The Commission explained that the communication-aspect of the APR was taken into account also by introducing tables with aggregates. The Commission is furthermore planning to disseminate the aggregated information in dashboards to illustrate progress in CAP implementation.

ECVC/AbL argued that a distinction needs to be made between complicated conditionalities, where there should be simplification in rules for specific dates to execute a specific action e.g., and necessary conditionalities, such as crop diversification. More flexibility for Member States is acceptable, but the urgently needed transition of the EU's food systems to address the climate crisis should happen across the whole EU. The Commission should therefore give stricter guidelines on the necessary achievements to be made by all Member States while letting more flexibility on the way to get there. ECVC underlined the need for young farmers to have incentives that accompany the needed actions for transition and to have a positive effect on their income, which is

currently not possible with the design of the eco-schemes. However, the biggest incentive is fair prices, and to build trust one needs to listen to the voices of the farmers. Access to land is also in need of better regulation, as land prices are rising, and young farmers cannot buy/rent land. In regard to building trust, ECVC shared that the German Monitoring Committee only met after the political negotiations were already over which was not optimal timing. The trust is also lost when recommendations are not put into action in a timely manner.

The Commission pointed out the recent farmers protests gave large importance to fair remuneration of farmers, and that the Commission published a non-paper on this topic, showing its commitment to work on this aspect as well.

Finland stated that the possibility to let farmers correct or make changes to their aid applications for a longer period adds humanity to the system. However, it also creates certain challenges for the process and leads to delays in payments that should be avoided.

Slovenia explained to have provided the possibility to correct aid applications and applied Area Monitoring System (AMS) for area schemes, but that this administrative process risked delaying payments.

Belgium – Flanders asked how the proposals and any other results from the five Technical Workshops would be used in the Strategic Dialogue, and what the further plan would be concerning the results of the Technical Workshops.

The Commission clarified that there was no formal link between the Technical Workshops and the Strategic Dialogue. With respect to the Dialogue, a report will be formulated with recommendations by the end of summer 2024, which will be presented to the President of the Commission. This report would be an input to the priorities and work of the next Commission. The Commission considered this a response to the current situation: work has been progressing on food systems, the Green Deal, the Farm-To-Fork, but not all that should have been achieved has been achieved in view of the present challenges (e.g. income, environmental, climate).

In regard to the Technical Workshops, the Commission explained that these were prepared to exchange and gather feedback and ideas for the impact assessment process of the CAP, which will need to be proposed by mid-2025. The Workshops are providing a lot of ideas, but the actual work will start later, depending also on the timing of proposals under the next Commission. Better Regulation means consultations and a broad approach to get the best legislation possible. Such official steps will need to be taken, but as timing might be short at the beginning of 2025, it was determined to be better to start collecting feedback at an earlier stage to ensure that the future consultation is well-prepared. The importance of listening carefully and collecting experiences/ideas/evidence was underlined, especially regarding topics such as the workings of the current (complicated) delivery model.

Ruralité, Environment, Développement (R.E.D) suggested to have similar initiatives as the Technical Workshops on the form and the medium-term future of the CAP. The issue of trust was underlined as needing addition focus, especially for specific areas of the EU where there is loss of population in rural areas and a need to increase confidence in these rural areas in the future. R.E.D. also emphasised the need to increase the number of CAP opportunities to be seized on the ground in such rural areas, as this can be difficult. R.E.D. suggested that the CAP is to look at what can be done with the Rural Pact in the medium- and long-term, and to make more effort to come out of the strictly agricultural

context and take a multi-faceted approach with different funds to increase the confidence of young people in rural areas.

Finland reminded that trust could be increased at all levels by giving positive feedback whenever there is possibility to do so (e.g. between the Commission and Member States, between Member States and farmers, between non-governmental organisations (NGO) and administrations, etc.). Trust could also be increased by giving consistent messages from the Commission to the Member States.

ECVC commented that access to land is fundamental for future farmers.

The Commission asked for information on how organisations and Member States implement aspects in relation to the right to make errors and corrections when it comes to the submission of data by farmers.

ELO explained that farmers might only notice an error in their request when they receive the payments, and with the current system it is too late to correct. ELO emphasised that farmers simply do not always have the time to double-check the details of the requests (e.g. ticking all necessary boxes) in the aid application, and the current system does not allow any possibility to take minor errors into account when noticed later.

COPA shared their experience in the new CAP when it comes to the fixed dates for putting information in the aid application: when there is a delay in providing information, usually the farmer is excluded from the compensation payment. An example in relation to manure was shared, focusing on the fact that if a farmer has executed the best practice (but later than foreseen) and achieved the intended result he would not receive the linked payment as he was too late with providing the data. COPA sees this as a concrete example for need of flexibility: if there is a result but a simple non-compliance (e.g. an administrative date), a change in the database-setting should be possible, not to exclude the farmer from the next scheduled payment.

ECVC/ARI found the issue with errors a structural problem. Various errors were not the fault of farmers but caused by a lack of ability to bring together data gathered by satellite software on geographical information. ECVC suggested to have a closer look at the software and interacting with Paying Agencies in regard to more flexibility, as it was a matter of not having the right instruments and/or the instruments not being adapted to the reality (i.e. access of broadband and effective cell networks for high definition images, the capacity of satellites to read differences in field colours, etc.). Solving such issues could help improve confidence in the institutions at the EU and national level.

ECVC and Finland reminded that satellite monitoring is sometimes hindered by cloud conditions, which creates challenges for both the administration and the farmers as farmers have certain deadlines but the satellite images are not necessarily available for these deadlines.

3.5. Initial take-aways of the Technical Workshop on Governance and Performance – harnessing the potential of the CAP delivery model

AGRI A.1 and AGRI A.3 (Policy performance) gave a presentation titled 'Technical workshop on Governance and performance - harnessing the potential of the CAP Delivery model – First take-aways' on the initial take-aways noted.

From session one various messages can be read as a general support for the new delivery model and its focus on performance, though there are clear calls for stability and balancing it with simplification. Ongoing efforts to improve the system include reducing administrative burdens for farmers, the ability to respond to external shocks, and the flexibility that Member States and farmers need for implementation. While stability and flexibility are very important, so is the shared challenge to focus and balance this with delivery and performance on objectives. It is essential to have structured discussions around facts and analysis and to measure effects and impacts while ensuring both profitability for farmers and addressing social aspects. Setting realistic objectives is key in order to avoid potential criticism and damage.

Shared messages for session two included the importance of covering the three pillars of sustainability, with calls for more voluntary approaches towards commitments and monitoring than regulatory obligations. The significance of the advisory system in helping farmers in the transition was highlighted. On digital tools, accessibility and the role of relevant and/or public services has to be considered. The calls for proportionality in controls and penalties were mentioned, as was the importance of building trust to enable simplification. Calls to improve the quality of satellite images for effective monitoring and reducing burden on farmers and administration was also noted, and the limitations in investing in satellite image quality due to budget cuts was discussed. The Commission recognised the importance of keeping open direct communication channels with regions.

Take aways of session three include how trust, dialogue, and inclusiveness are needed to successfully implement agricultural policy. The same is true also for effective communication among the Commission, Member States, farmers, monitoring bodies, and other stakeholders. The issues of income and environmental sustainability were mentioned. The importance of designing schemes to be attractive, flexible, and simple, with a focus on getting the aid level and scheme design right to make implementation easier was a key point. It was acknowledged that the learning process in the first year of implementing the new schemes was challenging, and the importance of adjusting designs to address complexities and problems was discussed, alongside an emphasis on facilitating learning and exchange among stakeholders to ensure schemes work well and are linked to the reality of farmers.

The Commission welcomed written feedback and contributions by mid-May 2024 to AGRI-A3@ec.europa.eu.

After the presentations, delegates from Member States and representatives of organisations raised the following questions and comments.

Ireland found that design is often linked to expected ambition and so there is a need to move incrementally, and that amendments must be facilitated to simplify changes.

Luxembourg was curious about the idea of reducing controls, especially within a changing landscape, and where DG ENV and the Court of Auditors stood on such an idea.

Ireland and Luxembourg found it important to engage with such actors and consider their perspectives, as they can have a very focused gaze on what is currently being done and what will be done in the future.

Finland shared that ambition in using AMS mainly in controls might affect possibilities to have ambition in other aspects.

ECVC/ARI commented that humans are needed for administration instead of computers.

The Commission highlighted that collaboration with Directorate-General for Environment and other DGs was ongoing as they have a common objective in achieving results and finding the best resource allocation. The focus on getting the new delivery model right to ensure alignment with policy objectives was emphasised, as was that there are responsibilities to the taxpayer. The Commission would try to have the CoR present their report on the CAP at a later stage. The presented first results of the survey were published online and the Commission would make sure to keep participants well-aware about future developments.

COPA/IFA commented that commonality of responses from numerous stakeholders provides a positive platform to build upon, the farmer and food production should be put back at its core for the future CAP, and economic and social dimensions need greater priority.

ECVC would like to see the word "youth" or "generation renewal" in the report.

BeeLife emphasised not to forget beekeepers, as they have dedicated sectorial measures within the CAP but also depend on the other farmers.

4. CONCLUSIONS/RECOMMENDATIONS/OPINIONS

N/A

5. NEXT STEPS

N/A.

6. NEXT MEETING

The next Technical Workshop will focus on Solidarity and Rural Communities and be held on 16 and 17 May 2024 in hybrid-format.

7. LIST OF PARTICIPANTS

- Member States: All MS were represented
- CDG organisations (cf. enclosed list)
- "Ad hoc" experts (cf. enclosed list)

Catherine GESLAIN-LANEELLE (e-signed)

CDG Associations
AEEU - Agroecology Europe
AREFLH - Assemblée des Régions Européennes Fruitières Légumières et Horticoles
AREPO - Association des régions européennes des produits d'origine
BeeLife - Bee Life - European Beekeeping Organisation
BirdLife Europe
CEETTAR - Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles
CEJA - Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers
CELCAA - European Liaison Committee for the Agricultural and AGRI-Food Trade
COGECA - European agri-cooperatives / General Confederation of Agricultural Cooperatives of the European Union
COPA - "European farmers / Committee of Professional Agricultural Organisations of the European Union
ECVC - European Coordination Via Campesina
EFA - Eurogroup for Animals
ELARD - European Leader Association for Rural Development
ELO - European Landowner's Organisation
EMB - European Milk Board
ERCA - European Rural Community Alliance
EURAF - European Agroforestry Federation
EUROMONTANA
FoodDrinkEurope
GEOPA-COPA - the Employers' Group of Professional Agricultural Organisations in the European Union.
IBMA - International Biocontrol Manufacturers Association
IFOAM - International Federation of Organic Agriculture Movements European Regional Group
Rurality, Environment, Development

Observers

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

COMMITTEE OF THE REGIONS

"ad hoc" experts

Holmstedt Petra representing the "Swedish Board of Agriculture (PA)"

Stief Andrea representing the "Ministerium für Ernährung, Ländlichen Raum und Verbraucherschutz" of Germany