

FINAL MINUTES OF THE MEETING OF THE CDG ON RURAL DEVELOPMENT

20th September 2016

1. Approval of the agenda and approval of the minutes

The Chair suggested to add one point in the agenda regarding the omnibus regulation for the Multifinancial Framework and the suggested changes for ESIF. That point was added and presented by the European Commission in the point 5 on simplification.

The agenda and the minutes of the previous meeting on 20th May 2016 were adopted.

For his last meeting as Chair, Mr Pascher thanked all the participants of the CDG for their willingness to find solutions to the challenges of rural areas from economic, environmental and social points of view. He also thanked the European Commission and the two Vice-Chairs for the good collaboration, hoping that this will continue with the new Chair.

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

The candidates for the Chair and the Vice-Chairs presented themselves before the elections.

Mr Dominique Fayel from Euromontana was elected as Chair (33 votes in favour of Dominique Fayel – 2 abstentions – 10 votes for Ms Trees Robijns, from BirdLife).

Ms Trees Robijns from BirdLife was elected as Vice-Chair (40 votes in favour – 2 abstentions)

Mr Peter Pascher from COPA was elected as Vice-Chair (44 votes in favour – 2 abstentions)

The Commission congratulated the new Chair and Vice-Chairs.

3. Outcome of the Cork conference and next steps

- The Commission gave a presentation that is available on CIRCABC.

The Commission presented how the Cork conference was organised and its final declaration “a better life in rural areas”. The four working groups organised during the 2 days of the conference fed the final declaration in a bottom-up approach. They focused on economic growth and investment; environment, natural resources and climate; rural innovation and rural viability. The final declaration is divided in three parts with the considerations, ten headlines with policy orientations and the conclusions.

Members of the CDG were invited to participate in this Conference.

Questions

- CETTAR congratulated the Commission for the organisation and the quality of the exchanges during the Cork conference, such as for the inputs given by the stakeholders. The CETTAR representative asked the Commission how to give this declaration a stronger importance and to implement it. He also underlined the necessity to translate it in other languages.
- COPA also underlined that the conference was well organised and that they had fruitful discussions, and welcomed in the Declaration the strong support for future policy developments, not just in the CAP but in other policy areas too. COPA is happy with the

Declaration. The COPA representative asked about the future steps for this Declaration, if it would be presented to the Council of the EU, the college of Commissioners and the European Parliament.

- PREPARE welcomed the different possibilities to talk during the Conference but regretted that no accession countries participated. The PREPARE representatives asked how the message will be spread outside the EU, especially for the accession countries.
- Another representative of COPA congratulated the Commission for this good experience and the possibilities of networking between different players in rural areas. At least 5 speeches referred to financial instruments, so the COPA representative asked about the position of the Commission if, in the future, it will support more loans and guarantees instead of grants.

Answers from the Commission

The Commission thanked the participants for the positive feedback. The declaration is the declaration of the participants and reflects the discussions during the conference. The Declaration had to remain broad in order to reflect the discussions.

It will be translated in other languages of the EU. It has already been passed to the other members of the College of Commissioners and some discussions already happened with Members of the European Parliament.

As the capacity limit of the conference room was already reached, no accession countries were invited, but all members of the CDG were represented.

The Commissioner Phil Hogan will give the Declaration the most serious consideration. He has received very positive feedback from his Commissioner colleagues.

On the financial instruments, the Commission's position is to promote a wider use of financial instruments based on the available funds, to develop a complementarity with the grants, but the choice of using them or not is made by MS and the EU is not interfering with that choice. In the future, the Commission should see what is the right balance. There won't be any exclusive orientation in favour of financial instruments at the expense of grants, but a complementarity will remain.

Questions

- RED regretted the absence of reference to the Cork Declaration at high levels, such as the absence of reference to the challenges of rural development: none of them were mentioned in the State of the Union Speech of President Juncker.
- BirdLife also welcomed the format and inclusivity of the conference and considered it refreshing. A consequence of the new consultative style was that the declaration regretted the lack of vision of the Commission to face the different challenges (environment, climate change, biodiversity) and the Declaration was a bit a shopping basket in comparison to the Cork 1.0 declaration.
- COGECA expressed great satisfaction regarding the content and methods used during the Cork conference and hoped that it will help to have an evolution on how to engage the funds. Cork 2.0 affirms that without active farmers, the capacity to move forward is in question. To be able to do so, we need simplification, and positive messages
- PAN EUROPE recommended that the Declaration be shared with other EU external policies in order to show some solidarity with third countries who have a lot of endangered rural areas, threatened by globalisation.

Answers from the Commission

The Commission recognised that there were reasons to worry and indeed rural development was not at the top of the EU agenda nowadays. Mr Juncker didn't mention the rural areas. But the Cork Declaration should be seen as a very positive message and is a vision of rural development.

It was our choice to have a participatory approach so we can't complain about the lack of leadership when using this method. The Commission underlined that the outcome was very positive and encouraged the stakeholders to continue to use it. The Cork Declaration is very visionary and not limited to rural development, creating synergies and consistency with regional policy.

The international dimension is not missing in the conclusions of the State of the Union nor in the considerations of the Cork declaration, as sustainable development goals are mentioned at the very beginning.

Questions

- EURAF asked about how all the interesting ideas developed during the workshops of the conference and not reflected in the final declaration would be used.
- CEPF underlined the need to focus on European challenges before focusing on external ones: there is no reference to the EU forestry strategy nor any reflexion on the social problems in the rural areas, which are as important as the ones in urban areas.
- UEAPME shared the Cork conclusions with a group of experts. Their analysis is that there are some positive and some less positive points in the Declaration. Some priorities in the Cork 1.0 declaration were not in the Cork 2.0 declaration. Regarding the key question of governance, what is the partnership we want? He regretted that partnerships were encouraged but members of the Civil Dialogue Group were not involved in the preparation of the Cork conference, in contradiction with the process outlined in the strategic agenda. He asked if members of the CDG would be involved in the future programming of rural development after 2020. He also encouraged the Commission to do a strong follow-up with public authorities who were often not applying the partnerships. He asked if it would be possible to have the reports on the four working groups.
- EEB underlined the need to systematically analyse if the policies are coherent, efficient and develop a serious analysis to check the policies in the future, in line with the point 10 of the Declaration to improve performance and accountability, which they contend supports their call for a 'fitness check' of the CAP policy.
- ECVC questioned the complementarity between the first and the second pillars as all farming sectors are in crisis. A market-oriented policy alone won't work and the free-exchange policy of the Commission with bilateral agreement with Canada, the United States of Mercosur will bring more bovine meat in Europe, in a sector which is already in crisis.
- COPA welcomed the reference to lively rural areas but underlined that farmers and forestry owners were the ones allowing that and he regretted that no farmers, rural entrepreneurs or forest owners were invited as key speakers.

Answers from the Commission

The Commission underlined that this conference was an occasion to have a broad discussion with stakeholders and that such an approach was preferred to a top-down one. This meant that the preparation of that event was a technical one and the conference very participative, with a few speakers on the podium.

Many organisations asked the Commission to include something in the declaration but the declaration was made during the conference, with a participatory approach, including the

elements raised by the participants. Certainly, some specific elements are missing, but this was needed in order to widen the debate and involve everybody.

The fitness check mentioned by EEB is important but the the need to improve performance and accountability of the policy, as referred in point 10 of the Cork declaration, has to be wider and has to be taken into account in the policy discussion.

The Commission is willing to take the Declaration as a very serious and a very comprehensive stakeholder approach.

The Chair concluded that there was overall satisfaction regarding the method and in general regarding the quite wide content and the conclusions of the Declaration, in conformity with the discussions between the participants during the event. One worry is linked to the follow-up. He noted that this is an evolutive process and more work remains to be done. Links between the two pillars and with regional policy should remain an on-going concern. We can't ignore the global context and the state of the Union: citizens need to be reassured on the way the Union works. There is thus a need to send a strong political message, presenting some key objectives so that we can understand where rural policy would like to go.

4. Exchange of views on the result based payments schemes (RBPS)

➤ General presentation by DG Environment

The Commission gave a presentation on this point that is available on CIRCABC.

The Commission explained the need to change the methodology to make more efficient the 4.5 billion € spent every year on biodiversity. The new approach should have a clearer link between payment and achievement of results, be less complex, more effective, based on a result-approach more than on a management approach, be better targeted and have a real impact.

The Commission has done an inventory of the overview of RBPS schemes and has presented how to develop a methodology (from the definition of the objectives, to the monitoring of the results).

Questions from the CDG members

COPA stated that these kind of schemes could make life simpler for farmers but didn't really see the potential for simplification and reduction of red tape, especially on the assessment.

IFOAM asked how the calculation would be done for the payments and how to apply the extra costs.

EURAF insisted on the need to have simplification if we want to apply RBPS at the ground level, but highlighted the good approach used. The example in Spain started in a very modest way but thanks to a snow-ball approach more and more farmers are now involved. This should be seen as an excellent example based on local practice.

Answers from the Commission

Regarding simplification and red tape, the Commission considered that the result-based approach won't be developed in one day, many steps have to be respected. But from the moment it is designed, every step will be thought out and farmers can be confident in the scheme. There are many synergies with monitoring and the development of indicators that is done for the agricultural policy.

For the calculation, the only way is to base it on incurred costs, even if this is not the perfect system, this is the only possible one so far.

The pilot action in Spain was very encouraging as there was no long history of RBPS in that area. Even if at the beginning there was a lot of resistance from the farmers, experts – who should be involved – to overcome the barriers and in the end farmers were more willing to join. They have used local champions to promote the initiative.

➤ **Collective implementation of AEC measure: the Dutch case**

Mr Aard Mulders from the Dutch Ministry of Economic Affairs made a presentation available on CIRCABC on how the AEC measure was implemented in the Netherlands.

This new approach is based on creating good habitat conditions for rare species (territorial based) instead of commitments at the farm level; the cooperatives of farmers play a key role in the new management.

Questions from the CDG members

EURAF asked about the links between these collective activities and CLLD and about the costs, including the monitoring costs and those to apply a qualitative approach. EURAF also asked about the societal difficulties encountered and the role played by researchers.

BIRDLIFE welcomed the direction of this measure and noted that it has dual benefits of both enhancing biodiversity delivery in agriculture landscape and also the social outcome of facilitating dialogue between farmers and conservationists on the ground. It allows for peer learning and engagements that they support. BIRDLIFE asked if this scheme was being targeted towards areas that have Natura 2000 sites. Whilst they think it needs to be nationwide, they believe that the initial stages need to focus on the most biodiverse areas.

RED stated that the examples showed the need to open up the approaches and to have a development strategy. In Alsace in France, some management plans of the territories have been implemented with some projects for the territories. The biodiversity objectives should be linked with the territory and agricultural objectives.

Answers from Aard Mulders

The scheme supports the Natura 2000 areas. They work within the plan, but they are not incorporated with the plan. A special plan with all the groups concerned was developed.

On every farm, the cooperatives monitor and help the farmers do the right thing.

It is important to have local involvement, by involving local people.

In order to be sure to receive the payments, farmers could be encouraged to do a little more, to be able to control the risks on the payments.

The Chair concluded that we had a general presentation with one concrete example in the Netherlands. Concertation, flexibility and time are needed for this approach, we can't force the things. There is the need to take into account the local needs while avoiding red tape, but some simplification steps have already been done. It would remain a subject of attention for the coming meetings.

5. State of play of the simplification of the CAP

The Commission gave a presentation on this point that is available on CIRCABC.

The Commission presented the simplifications introduced in the regulation 699/2016 regarding rural development, such as the expected simplification measures regarding the CAP. They should be adopted by the end of 2016.

The Chair clarified that this was a proposal of the Commission and no modification should be expected.

Questions from the CDG members

COPA underlined that most of the simplification measures aimed to simplify the work of managing authorities, but not of farmers. COPA asked about the expected effects the simplification measures will have on farmers and other beneficiaries of the RDP. More generally regarding simplification, she asked if the Commission had a strategy to work on simplification on policy and she suggested that COPA could provide some proposals.

Another COPA representative asked about the timing to know when the clarification for the definition of young farmers and the deviation for the ANC amendments are expected at the European Parliament.

Another COPA representative asked about the different possibilities to combine the different existing funds? For instance, how to combine COSME with investment measures and financial instruments with grants.

COGECA stated that this was more a new conception than a simplification. The bank market is already limited and the farming exploitations need to have a financial guarantee and the tools need to be adapted to the needs. So this is not necessarily by simplifying the funds that they became more attractive for farmers.

CEPF explained that it was not the first time that we were speaking of simplification. We are slowly moving towards a nationalisation of policies. When we will have to negotiate the budget, he asked what notion would be given to the simplification. Rural development is no longer a priority. We don't speak anymore of the EU forestry strategy. Thus, he asked if there would be more general dispositions taking the ideas from a Barnier report written some years ago in order to react?

ELARD welcomes a simplification regarding the procedures. Evaluation of projects is taking more time than during the previous programming period, so does the Commission foresee some other tools for this too?

Answers from the Commission

The Commission explained that simplification and harmonisation of the rules were useful for both the MA and the beneficiaries. But the best simplification remained stability of the rules. There will be more flexibility for the beneficiaries and the MA, there will be a simpler procedure for the selection which will benefit both the MA and the beneficiaries.

For the ANC, the delimitation will be submitted in 2018 but the scheme won't be touched.

The Commission confirms the possibility to combine grants and loans, some huge guidelines are available to explain how to do it.

On CLLD, there will be a presentation, this will be more a clarification as this is not expected to change the implementation rules.

The Commission underlined that the simplification measures were the results of consultation with stakeholders, there was no big plan behind and that it was separated from a more strategic discussion for after 2020. With these simplification measures, the idea was to have more manageable funds with a simpler approach.

The Chair concluded that these simplification measures help to simplify without revising the general framework. Some members of the CDG remained disappointed as the expectations are great, but this project shouldn't stop here as it is still difficult for the beneficiary to understand all the rules and to apply them correctly.

6. Update on the use and implementation of EAFRD FI

The Commission gave a presentation that is available on CIRCABC.

This presentation was an update on the last one done in November 2015.

The Commission presented the big potential of the FI even if only 7 programmes are using them so far. A methodological handbook was released for implementing an ex-ante assessment of agricultural FI under the EAFRD in June 2016 that will boost the implementation of these FI in other programmes.

On 26th October 2016, there will be an event on EAFRD specific macro-regional seminar, on 25th November 2016 there will be a second European Conference on FI under the EAFRD. Studies on price volatility and FI and on programming FI will soon be available.

Questions from the members of the CDG

COGECA asked about the kind of support farmers could receive and the limits of the support.

Another representative of COGECA stated that FI should help the enterprises and the beneficiaries. If new rules are introduced when the scheme is already implemented, then this will require additional work for the beneficiary to understand them. In one year, we will be in the middle of the programming period and that important instrument has unfortunately not really started yet.

COPA expressed its concern that grants could be substituted step by step by FI. That means that the EU saves a lot of money at the expense of the beneficiaries.

Answers from the Commission

The Commission explained the need to use FI when they were needed and the most efficient to best use the limited budget.

Some MA have some delays in the implementation, but it was still possible to assess the situation and to prepare for the future and to use the FI when relevant.

The Chair concluded that the Commission put some emphasis on FI during the Cork conference and it would remain a subject of attention for the coming years.

7. Monitoring Committees – Presentation of examples of good practices in MS/regions

Martin Leitner from the Austrian MA and Tiina MALM from the Finnish MA gave presentations on the Austrian and Finnish case to explain how the Monitoring Committees are organised in their countries. The respective presentations are available on CIRCABC.

Questions from the members of the CDG

COPA asked if there was one national programme and some regional programmes in their countries, as this is the case in France, which makes the work of the Monitoring Committees more difficult.

COGECA asked about the number of meetings organised per year.

The Commission asked how they dealt with the different opinions among the Monitoring Committee members, as it was presented as a challenge/limitation and not as a strength. The Commission also asked how the Monitoring Committees manage to get timely information from the Member States.

Answers from the Austrian and the Finnish expert:

In Finland, there is one programme for the whole country and one additional one for the islands, whereas in the case of Austria there is only one programme.

In Finland, meetings are organised on a biannual basis; in Austria, at least one meeting but usually two meetings are held per year.

Martin Leitner explained that it is sometimes very challenging to meet deadlines in order to provide the respective information to the MC members. On the other hand, it is also challenging for the MC members to revise the documents before the actual meetings. Tiina Malm added that planning in advance is very important and that deadlines need to be respected.

The Austrian expert indicated that sometimes discussions within the MC meetings can be very lively due to different opinions (also between different stakeholders). There is a need to avoid endless discussions; however, the diversity of positions is very much appreciated: involving a lot of different stakeholders may prolong the decision making process but support for the decisions made is eventually stronger.

The Chair thanked the speakers for their presentations and concluded that the collective work can be demanding sometimes, but also successfully mobilizes different actors. Alone we can go faster, but together we can go further.

8. Cooperation measure

- Operational Groups (OG): best practices and exchange of views with the members of the CDG

The Commission gave a presentation that is available on CIRCABC.

The Commission presented the state-of the start of the implementation of the OGs. First calls were launched in December 2015, but most of the planned 3205 OGs are not running yet.

An EIP workshop on the first experiences of the OGs was organised in April 2016 in Italy to bring together the OGs, potential actors and stakeholders to exchange and learn from each other. Information and material from the workshop (including a leaflet with examples of OGs) are available on the EIP website.

Questions from the members of the CDG

EEB asked if it was possible to register for the workshop with National Rural Networks (NRNs) in October.

RED stated that the implementation of OGs could represent a huge potential interest, but the financial regulation seems quite constrained, thus some OGs were worried that they would have to reimburse the sums given in advance.

EURAF asked about clarifications on the EIP database for OGs. They also asked if something was being done for the cross-regional OG.

COPA encouraged more common meetings and avoiding close-door meetings, to work together and to make sure that new ideas are shared and implemented in practice. COPA asked how ENRD and EIP-AGRI are commonly working together on current and future events.

Another representative of COPA explained that in Austria the National Rural Network covers the work of both EU networks. The existence of two networks at the EU level represents additional costs so he wonders why we need to have the two different networks.

Answers from the Commission

The Commission explained that the October workshop was specifically conceived for NRNs, but the outcomes would be publicly available and recommended that interested stakeholders contact the Commission with any detailed questions, if any.

The Commission stated that their objective is always to have the widest possible audience, but the meeting in October is specifically meant to discuss with Network Support Units about the NRN action plans and the compulsory tasks for the EIP.

The Commission took note of the worries of the OGs regarding the risk of reimbursement and will try to get more information on the issue.

The database already exists on the EIP website, it is on innovation projects in general and not just on OGs, but there is still a lack of information regarding already running OGs that the Commission is currently working to fill in together with RDP Managing Authorities.

On cooperation among regions, this is an interest the Commission has heard from several MS, but we must take a step by step approach, so first the OG have to be implemented and then we will be able to see cross-regional cooperation. EIP-AGRI will also try to support the dissemination of these OGs.

Regarding the collaboration between ENRD and EIP-AGRI, the Commission explained that, given the specific objectives and stakeholders of the EIP, the Commission decided to have two separate EU networks; they are brought together under a common governance structure. On the practical side, a number of meetings per year are jointly organised by EIP-AGRI and ENRD; where appropriate additional meetings might be envisaged.

The Chair concluded that having two different networks is a political will but it doesn't prevent to have common objectives.

➤ State of play of the implementation in MS/regions

The Commission gave a presentation on cooperation measures that are available on CIRCABC.

Questions from the members of the CDG

COPA asked about the state-of-play of the implementation of these cooperation measures.

EEB wondered how sustainability of biomass was defined in measure 16.6 as there was no sustainability criteria for biomass. EEB also asked about the involvement of environmental NGOs in the discussion.

EUROGITES explained that the cooperation measures were already in the previous programming period and their experience was not really satisfying. He asked about the follow-up of these previous cooperation measures. He also warned about the risk of spending money on a lot of small projects without reaching the critical mass needed to have spill-over effects.

CEPF stated that if we would impose sustainability criteria for biomass in Europe it would have a direct impact on the biomass production and we would need to import biomasses from outside Europe to supply Europe's needs.

Answers from the Commission

The Commission explained that there is a relatively low level of commitment so far due to the late implementation of the RDP but they are confident that there will be adequate uptake on the implementation.

The Commission clarified that there is indeed no definition for sustainability in biomass, but this was part of the negotiation as there is no legal basis for a definition. The involvement of stakeholders can be very wide and nothing excludes certain groups of organisations, so this is decided at the project level.

Some performing measures have been done to follow-up on the previous cooperation measures. There was a focus within ENRD which looked into that. The new cooperation measures are more targeted and the rural networks facilitate the implementation. The RDP analysis factsheet is a very important first step to do the follow-up and ENRD is a natural entry point for this.

Regarding sustainable biomass, a lot of things have not been defined yet, some of them are more precise in delegated acts, but they allow some flexibility at the local level.

The Chair concluded that possibilities should not be locked from the beginning and welcomed the pragmatic approach of the Commission.

9. Update on the rural networks activities – priorities 2016-2017

ENRD explained that there will be a focus on rural businesses and resource efficiency this year with the kick-off of 2 thematic groups, the 1st one on the 13th October on "Smart and Competitive Rural Businesses". On the 26th October, there will be the first meeting of the 2nd Thematic Group, on "Resource-Efficient Rural Economy".

ENRD with DG AGRI to organise a workshop for MA on Areas with Natural Constraints to strength their capacity building. This one day workshop will take place on the 18th October. COPA and Cogeca will organise, with the support of DG AGRI and the ENRD Contact Point, a workshop on the same topic on the 18th November 2016 in Brussels.

On the 25th October, 2016, there will be the 6th Steering Group meeting and the next meeting for the Subgroup of innovation will take place on the 20th October.

On the 1st December, 2016, there will be the General Assembly of the Rural networks.

On the 8th and 9th December, there will be a CLLD seminar in Sweden where LAGs will be invited.

The two networks will see how to take up the Cork declaration. A leaflet has already been produced and a magazine will be published on the subject as well.

Questions from the members of the CDG

EEB welcomed the initiative on ANC, as they were asking for the initiative too. EEB explained that the organisation was not against the measure, but they have major concerns about the efficiency in terms of biodiversity. This could be a constructive discussion to have with several stakeholders.

COPA stated that all these activities were very interesting and he was impressed by the number of activities. COPA asked about the possibility of having an exchange of good practices between the different national networks [?].

The Commission explained that COPA/COGECA will send a questionnaire on the technical aspects regarding ANC in order to collect feedback and concrete ideas in preparation of the COPA/COGECA workshop on ANC of 18 November. This questionnaire should guide them

towards the needs and the level of detail needed and allow them to assess what the stakeholders expect from that workshop.

The good suggestion of COPA is noted even if the differences between the different networks could be good. The idea of working on good practices for managing authorities was presented during the last Civil Dialogue Group and should be further explored too[?].

10. Development of a Sustainable Rural Development Index

CEEweb/EEB gave a presentation on this point that is available on CIRCABC.

COPA had the impression that the proposed index was dominated by ecological criteria, whereas economic criteria are mentioned too, so all aspects of sustainability don't seem to be well covered.

CEEweb explained that different kind of indicators were considered, such as education level and job availability, but the final decision of what to consider will depend on the amount of data they would be able to gather on the indicators.

CETTAR asked for clarification regarding the partners of the project.

So far, only CEEweb is working on the project but they would welcome contributions, including from members of the CDG.

The Chair thanked participants for the constructive exchanges, the good spirit of exchange and the willingness to provide answers to questions. He thanked the interpreters and the Commission for the presentations and the documents sent in advance. The next meeting will most probably be organised in early Spring 2017.

Disclaimer

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