



22 April 2022

Mr. Wolfgang Burtscher
Director General
European Commission Directorate General for Agriculture and Rural Development
1049 Brussels
Belgium

**Re: Commission Observations on the proposal by Ireland for a CAP Strategic Plan 2023-2027 –
CCI: 2023IE06AFSP001**

Dear Wolfgang,

Many thanks for your letter of 31 March 2022, and for the annex setting out the Commission's observations on Ireland's proposal for a CAP Strategic Plan for the period 2023-2027.

The Commission's timely consideration of Ireland's draft Plan is very much appreciated, as is the constructive engagement that we have had from DGAGRI and from across the Commission services throughout the reform process to date. I look forward to this continuing over the coming months. I also appreciate this opportunity to provide an initial reaction to the key elements of the Commission's observations.

I welcome in particular the Commission's stated intention, through our bilateral engagements, to facilitate the earliest possible adoption of Ireland's Plan. We for our part intend to engage very intensively to this end. It is critical for us to progress quickly through the approval process in order to have the necessary clarity that will allow measures to be finalised and developed in 2022, and then implemented effectively in 2023.

That clarity will also allow us to communicate in an effective manner with farmers and with other stakeholders, particularly in relation to preparatory elements of the Plan that must be delivered during this coming summer. I look forward, therefore, to the Commission's assistance in identifying, and quickly resolving, any issues that could have implications either for the design and development of the measures proposed in the Plan, or for timely stakeholder engagement.

On the observations themselves, firstly, I welcome the very positive comments by the Commission on a number of elements of Ireland's draft Plan. The acknowledgment that it addresses all of the specific objectives set out in the regulations, and that it takes into account the recommendations that were made to us by the Commission in December 2020, is appreciated, as we have made considerable efforts to ensure that this has been achieved.

Similarly, I welcome the assertion that the draft Plan shows the potential to contribute effectively to the general objective of fostering a smart, competitive, resilient and diversified agricultural sector that ensures long-term food security. This is an issue that has, of course, grown in importance recently, with the impact of the Russian invasion of Ukraine causing us to reflect on the fact that food security is an issue that extends well beyond the European Union to third countries, and that we must address it while reducing our reliance on fossil fuels and externally sourced inputs. In this regard we will also reflect over the coming period on the Commission's call on Member States, in light of the Ukraine crisis, to ensure that their CAP Strategic Plans contribute to strengthening the resilience and sustainability of the agricultural sector.

From an environment/climate perspective, I welcome the Commission's observations that Ireland's draft Plan has identified the fundamental pressures on climate, natural resources and biodiversity, and that it has identified relevant responses and linked these to our legal obligations, as well as demonstrating how these responses differ to what has been done previously. In particular, I note that our planned use of Cooperation Projects within the Agri-Environment and Climate Measure is welcomed as an ambitious and sophisticated approach to landscape-scale actions, and that our proposals in relation to renewable energy are also viewed as positive.

On Green Deal targets, I appreciate that the scale of our ambition in relation to organic farming, in moving from 2% of agricultural area to 7.5% over the period of the Plan, is acknowledged. We will further reflect on the Commission's call for Ireland to consider a 'still greater' increase in this area, but I'm sure you will appreciate that this would present significant challenges for us. Similarly, I welcome the Commission's acknowledgment of our ambition that 10% of farmed area will be prioritised for biodiversity, and we will be happy to engage further on this element. We will also reflect further on the Commission's comments in relation to anti-microbial resistance and reduced use of pesticides.

I welcome the Commission's strong endorsement of Ireland's approach to meeting the cross-cutting objective of fostering and sharing knowledge, innovation and digitalisation. As you know, we have invested heavily over many years, both within and outside the CAP, in agricultural research and in knowledge transfer. We are determined to build effectively on this solid foundation, and to establish an Agricultural Knowledge and Innovation System (AKIS) that will underpin the achievement of our CAP objectives. We will also continue to work with the Commission to further enhance the effectiveness of our approach.

Finally, I note the Commission's specific observations with regard to the LEADER programme. The Department of Rural and Community Development will proactively engage with the Commission in the coming weeks to progress the points raised.

There are, of course, a number of elements of the Commission's observations which point to areas of Ireland's draft Plan that the Commission considers require further attention or explanation. We will work closely with you and with colleagues in other Directorates General to resolve these issues.

By way of initial response to these observations, I might first of all refer to those relating to direct payments. I note the high-level comments in relation to the level of ambition demonstrated by Ireland in our plans for the redistribution of direct payments. This is a complex, multi-layered and sensitive issue in an Irish context, which is complicated further by the nature of our entitlements-based payments system. Redistribution mechanisms give rise to particular and difficult impacts for a sizeable cohort of farmers. We have therefore tried to strike what we feel is an appropriate balance between significantly improving the position of smaller and medium-sized farms, and maintaining the viability of farms that are not large in size but which, for historical and other reasons, are in receipt of higher rates of payment per hectare, and therefore contributing to redistribution. We will be happy to engage further on this in the course of our upcoming discussions, and to explain more fully, with a quantitative analysis, the combined effects of all direct payments redistribution mechanisms.

Returning, then, to those observations relating to environmental and climate objectives, and to Ireland's approach to the CAP's green architecture, I note first of all the Commission's assertion that further improvements and a greater level of ambition are required, and that Ireland should demonstrate this ambition in quantitative and qualitative terms, including in the context of targets set for result indicators. In particular, I note the reference to the Eco-scheme as an example of how Ireland's approach is likely to bring about too little change.

Again, we will be happy to discuss our approach further over the coming weeks, to provide the required clarification and to explain in more detail the level of environmental gain we expect to achieve. In the meantime, I would point out that, fundamentally, our approach has been informed by the building blocks of the green architecture. We will (i) raise our standards under conditionality (for example by applying GAEC 8 to all agricultural area), (ii) build on this through an Eco-scheme that is available to all farmers (we believe that the range of proposed agricultural practices will achieve significant further environmental benefit, for example by increasing the share of non-productive areas, encouraging more extensive tree-planting and reducing nitrogen usage) and (iii) achieve high impacts through Pillar II schemes (for example AECM Cooperation Projects and significantly increased organic farming area).

On other climate- and environment-related observations, I note the Commission's comments in relation to areas that we are seeking to progress outside the CAP Strategic Plan. Forestry is one such area, as is the long-term sustainability of the dairy herd, which we are examining in the context of our Food Vision 2030 Strategy. We look forward to providing more detail on these issues, and to demonstrating how the CAP Strategic Plan will complement, and be coherent with, any measures that we may implement outside of the Plan in these areas. It is also the case that measures under the Plan will have to be augmented in any event by regulation, by industry incentives and by the deployment of new and emerging technologies if we are to achieve our objectives at national and at EU levels.

I also note the points made in relation to the need to take account of the Prioritised Action Framework, and the Commission's encouragement to revise the Plan in due course to take

account of changes to the Effort Sharing and LULUCF Regulations. On the latter, we will of course satisfy the requirements of Article 120 of Regulation (EU) 2021/2115 and carry out the relevant assessment before deciding whether an amendment of the Plan will be necessary.

This brings me to an important point that was the subject of much debate during the reform process, namely, that the approval process should be based on the requirements of the relevant legally binding acts. This is something that Member States called very strongly for, and a principle that we look forward to being fully adhered to over the course of the approval process.

Another important point that was a strong focus in the reform negotiations was the need to make subsidiarity for Member States meaningful, and to allow Member States to design interventions in accordance with their particular needs. We have outlined a number of areas in our draft Plan where we intend to use this flexibility, and we will respond to the Commission's observations on issues such as definitions and minimum requirements with this in mind. The definition of eligible hectare is a case in point, given that it sets the baseline for all land-based interventions, and we feel that our proposed approach improves the current situation while also addressing many of the concerns around environmental sustainability. Similarly, Member State flexibility in setting targets and indicators - again, one of the key elements agreed in the negotiations - should inform our discussions as we try to strike the right balance between satisfying the requirements of the new delivery model and avoiding unnecessary administrative burden.

As you will appreciate, this letter does not represent an exhaustive list of the issues that we will be engaging on over the coming weeks, but rather an initial high-level response to the Commission's key observations from Ireland's perspective. I hope nevertheless that it will help to inform the process, and I very much look forward to constructive ongoing engagement with you and with the wider Commission services, leading to a speedy and fruitful conclusion.

Finally, I note that the Commission will be publishing Ireland's observations letter shortly, and I have no objection to it also publishing this reply. Indeed, we have already shared a copy of the observations letter with our stakeholders, and published on our website at: www.gov.ie/cap.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'B. Gleeson', with a long, sweeping underline.

Brendan Gleeson
Secretary General