

FINAL MINUTES OF THE MEETING OF THE CDG ON RURAL DEVELOPMENT

6TH May 2015

1. Agenda

The agenda and the minutes of the previous meeting were adopted. The Chair mentioned that the rules of procedure should be included and adopted under item 2

2. Strategic agenda

The Chair went over the process to draft the strategic agenda and explained that certain ideas and proposals had already been discussed in the first meeting of the CDG and that comments had been received in writing after the meeting. After several discussions with the Commission, the Chairmanship had prepared a first draft that had been sent to the members of the group.

A second version had been sent to the members of the CDG based on the comments received.

Two additional comments had been received from Via Campesina and IFOAM and would be analysed by the Chairmanship.

ELARD and UEAPME requested having the opportunity to send in additional comments.

The Chair gave members 10 days to send in their comments, which would be discussed by the Chairmanship and the Strategy shared with the Commission.

3. Rules of procedure

The Chair explained that the last version of the rules of procedure had been sent out by the Commission on 22nd February 2015. The same rules of procedure applied to all CDGs.

The Commission detailed the process, which was based on comments received from various stakeholders. The Commission stated that they had not received any further comments. The rules related to the regulation of the CDG and covered how the meetings were organised.

Comments from the members of the group:

RED inquired about observer seats and said that in the first meeting of the new CDG, the possibility to have observers had been accepted. This point was also supported by UEAPME.

The Commission stated that they would evaluate the request again, but they could not make any promises. The Commission mentioned that there were so many organisation members of the CDG that it would be difficult to decide to whom to give observer seats.

Birdlife highlighted the fact that the Chairmanship had prepared a version that had been sent to the Commission, but that the version presented today was the same for all groups and did not include the proposed comments.

The Commission explained that in the past they had also had a single document for all groups.

IFOAM asked about the assessment on how the CDG had functioned after its first year and whether it would be possible to reopen the discussion.

EEB and other organisations thanked the Commission for having provided the documents well in advance.

The Commission explained that it had been agreed in the last meeting to send the documents directly to the experts three days before the meeting.

It was also possible to nominate a replacement expert, as long as the Commission was informed thereof at least three days before the meeting.

As for the reassessment, nothing was certain, yet the rules of procedure could be improved.

The Chair asked the members to approve the rules of procedure and the group did not have any objections. The chair thanked to the Commission for the very good preparation of the CDG meeting.

4. State of play of the RD programmes – presentation also given in COM AGRI

The Commission gave a presentation that was available on CIRCABC. The Commission highlighted that the vast majority of the programmes would be adopted before the summer break.

Questions and comments from the members:

EEB had two remarks. Firstly, that environmental partners at national and regional level were not involved in the final stages of the negotiations and were not informed about the state of play. They therefore did not know how the Member States had reacted to the comments and hence how well the plans will deliver.

The second remark referred to the need to have figures on each measure for environment-related commitments.

Birdlife mentioned that they have serious issue with the ANCs e.g in Poland ANC is justified from a biodiversity objective which it actually is not asking for any biodiversity requirements. They also asked which measures were included for biodiversity measurement that the Commission presented.

Answers from the Commission:

In response to EEB's complaints about the process, the Commission explained how the process should be conducted from a legal point of view: the Commission and the MS were the ones that negotiated; and the MS were obliged to include stakeholders in the preparatory stages. Some MS did better than others. The Commission drew attention to the fact that the MS should act following the principle of partnership. The MS should explain how they had consulted the partners.

The Commission also mentioned that other DGs such as ENVI and CLIMA, had been present

at all meetings with the MS, but that this invitation could not be extended to civil society.

The Commission highlighted that the code of conduct was an important document that needed to be applied by the MS and regions.

As for ANCs, there were no environmental criteria attached, this is an income compensation tool for losses of income/extra costs given to farmers. There is an indirect link between ANCs and environmental impacts. [By helping to keep farming in place, ANC payments helps ensuring sustainable land management, to the benefit of the environment and habitat preservation.](#)

Agri-forestry, AECMs, organic farming and Natura 2000 were all part of the biodiversity targets for which the figures were presented.

Questions:

RED highlighted that the link to the 2020 strategy was important. They mentioned that evaluating and monitoring the impact of the milk quota or other topics would have an effect on biodiversity and climate change.

RED asked whether the Commission was planning to analyse why pillar II funds would be transferred to pillar I, and what the benefits of said transfer would be.

ECVC mentioned that the economic crisis had had an impact on consumption and that there were overlaps between regions, therefore it was important to focus on employment.

Euromontana asked about the focus of the six sub-programmes.

Copa underlined that programmes were available online in Austria and that all NGOs were involved. There were specific requirements for agri-environmental measures and the baseline in Austria was well above the standard baseline.

A question was asked on co-financing, not only from the EAFRD, as there were big differences between the MS.

Birdlife asked about agri-environmental payments and what analyses the Commission would or had already carried out on the targets for this measure.

Copa reacted to the reservations expressed by various speakers on ANCs. Certain constraints needed to be respected, as those regions were rich in biodiversity and some also fell under Natura 2000. The goods produced by those regions were important and their contribution was crucial, as life happened there on the ground.

IFOAM stressed that the premium for integrated pest manage was higher than for organic farming in MT and that stakeholders in PL were not involved or consulted during the preparation of the programmes.

Cogeca mentioned that some programmes would be approved before others and that this would create discrepancies. They wondered how it was possible for countries such as NL and DK to have only included a small number of measures that covered 90% of the budget.

EEB specified that some MS were not transparent and that the new drafts had not been circulated.

EMB asked how much money would end up in farmers' pockets.

Answers from the Commission:

The Commission explained that a MS could run a programme with four to five measures, but they needed to cover four priorities.

The Commission said that they would look at the situation in MT and asked the members of the CDG to explain their specific points concerning PL.

There were cases when discussions with the MS went on and on, and the Commission had the feeling that the MS consulted farmers and young farmers' associations. The stakeholders' wishes should be in line with the provisions.

There are specific rules on evaluation and monitoring, including annual and ex-ante reporting. There would be a more comprehensive report in 2017 and 2019.

Regarding ANCs, it supports local farming, but did indirectly related to agri-environmental issues.

A lot of measures were directly used by farmers – 87% go directly to the farmers and the administrative costs were covered by the administrative authorities.

Sub-programmes were presented by ES, RO, BG and HU.

Everything was included in the expenditure (national and EU co-financing).

Birdlife requested a survey on how the stakeholders were involved.

Copa mentioned that DG REGIO had launched a survey on this issue.

The Chair concluded that the programmes needed to be approved as soon as possible and that discussions on the RDP would continue in the next meeting. The adoption process takes too much time. Lessons learnt: often more support in developing programs is needed; important are also the compliance of the partnership principle (Code of Conduct and more transparency concerning the measures fiches, explanatory notes, guideline.) The Chair thanked the Commission for the fruitful exchange of views.

5. Financial instruments

The Commission gave a presentation that was available on CIRCABC.

The subsidies for loans were not considered as financial instruments, they were rather considered as a grant. Financial instruments had been around for a long time in RD as guarantee loans, rolling funds or equity funds , but this was disregarded by the MS. The trend was to strengthen this for the future. The FI was mainly available to support investment measures and there was no limit on the type of investment.

6. Investment plan for Europe

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

Questions on the two presentations:

Prepare asked whether the investment plan for Europe was for individuals or groups of businesses, and who could apply.

EEB asked how the investment plan and not oppose the general sustainability goals.

Birdlife asked about the connection between RD and the investment plan.

Pan Europe mentioned that the administrative management was rather complicated and that things should be kept simple.

Via Campesina stated that not everything was transparent and that the EU needed to publish the list of beneficiaries.

ELO asked how the financial instruments would be customised to the agricultural sector, whether there were any estimations or targets on how much money may reach rural areas, and whether the selected projects came from rural areas.

Copa stressed that farmers should be included. They asked what opportunities were available to farmers in a country such as IT. It was vital to avoid investments only being made available to large multinationals; they should rather go to farmers and SMEs.

Copa asked to what extent FIs could finance a project.

RED asked about the governance and calls for tender. They wondered what the link was between the EFSI and other EU funds.

Answers from the Commission:

There were no limits on the partners/applicants; what mattered was the type of project that would be selected according to the specific criteria mentioned in the presentation.

There would be a "steering board", for the EFSI, which would develop the overall strategy of the fund, and also a technical committee, the "investment committee", which would take decisions on the use of the EU guarantee for projects.

Agriculture would be covered, depending on the projects presented. There were no targets per sector or MS. There was also no limitation on the type of project, be they based on nature, resource efficiency, etc.

While RD funds cannot be transferred to EFSI, it will be possible to establish synergies/complementarities between RD and EFSI funds, e.g. by adding EFSI support to projects supported by RD or vice versa.

A group of farmers could table proposals.

Regarding the sustainability goals, this will be ensured by the fact that one of the criteria for projects' funding by EFSI would be to be compliant with overarching EU priorities.

Financing the project depended on how FIs would be constructed. Details will be included in

the "EFSI Investment Guidelines", currently under development

The Chair concluded by stating that the Juncker plan, and his proposal on FIs and the link with rural development needed to be further analysed and discussed by the group.

FIs were nothing new, but the novelty was that discussions were open with the MS and stakeholders on what could be useful for rural development, investments in farms, etc. FI can be useful additional instruments. They cannot replace the support by grants.

The Chair mentioned that these points would be on the agenda of the next meeting.

7. Structural funds and their support for rural areas

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

RD was closely linked to the EU's 2020 priorities, not only concerning thematic investments, but also concerning integrated investments.

The Commission underlined that the rural-urban matter was appearing more strongly in the various funds than it had in the past.

Questions:

Prepare asked how integrated a network needed to be to apply for this.

ELARD mentioned that the LAGs had been facing problems since CLLD was accepted. DG REGIO had more of a top-down approach. In CZ, desk officers were forcing LAGs to cover UNESCO matters, city museums, etc. and that a LAG strategy was not really used at the moment.

Copa stated that LEADER was a very good instrument for rural areas, which also created good links between rural and urban areas.

EURAF mentioned that the governance should be open.

Via Campesina stated that in some towns it was easier to access funds to start various projects.

Answers from the Commission:

Regarding integrated territorial investments, the Commission explained that this was not a network between partners, but that the idea was to take a territory such as Flanders, and should the industry disappear, the ERDF could fund new businesses and the ESF could offer training to people who had been fired.

The regions were different and received a different level of funds. Public funding was more important in the older MS, compared to the new MS where EU funds played a crucial role.

There should be a link to ensure that LAGs worked in the same direction as thematic objectives.

The Commission stated that there was a drive to make more information public. There was

not too much for the moment, but this would be bolstered with additional projects in the future.

Many regional funds were also spent in rural areas. It should be clear in each MS which fund would fund which project/area.

The Chair concluded integrated fund approach seems still to be a big challenge and that we would maybe come back to this point at the next meeting to analyse implementation.

8. Rural networks' activities

The Commission gave a short presentation on the composition and activities of the rural networks, which was available on CIRCABC.

The Commission mentioned that the steering group would discuss the results of the thematic groups and the sub-groups on 12th June.

The Commission highlighted that the collaboration and active participation of the various players was important. In addition, it was crucial to coordinate activities between the networks.

The initiatives should come from the stakeholders and the focus should be on topics and not on the structure.

The Chair explained that the difference between the assembly, steering group and the CDG was that the CDG focussed more on policy aspects. The active participation of the group was highly appreciated.

EEB mentioned that the CDG on the Environment and Climate change would meet on the 12th June. In the future, it would be good to hold the meeting after or before, but not on the same day.

RED specified that the members of the thematic group also needed to be reimbursed. It was vital to coordinate between the different measures.

ELO stated that the ENRD needed to communicate with these groups, including the CDG. There was a high level of interaction in the thematic groups and the information needed to come back to this group.

Eurogites stressed that the minutes of the steering group were important.

Euraf stated that the sub-groups worked constructively and the interaction was good.

Birdlife asked how the CDG could be better involved in the discussion and setting the agenda for the next meeting. The point of bringing this point on the agenda was to have a presentation of the group and disappointment was voiced that this was not possible to do it in a better way.

Copa stressed that the topics should also be presented to the CDG, in addition to the outcome of the meeting. Furthermore, members should be able to contribute to the agenda.

ELARD and RED mentioned that for their cluster there were not satisfied with the number of seats in the steering group.

IFOAM mentioned that it would be good to have a strategic agenda for the steering group and that the ENRD should be invited to the CDG.

Copa stressed that the assembly did not agree on the topics that were selected and was not informed about this selection process.

Answers from the Commission:

The Commission mentioned that they had limited financial resources and that it was clear that they were trying to benefit from having several meetings together to bring more people over.

For the first meeting of the assembly, it had not been possible to prepare, as there had not been a steering group beforehand.

The topics resulted from a debate and there were 10 main subjects. It was important now to ascertain how to tackle these in the future.

As for 12th June, the Commission would come back to the group on what had happened in the sub-groups and thematic groups and reflect on initiatives for 2015. The next assembly also needed to be prepared.

There were now two networks and three support units, including an evaluation help desk.

The Commission was constantly working on developing the working methods, as much more interaction was needed.

The documents would be sent in advance via the ENRD website, which would become a more interactive website (my ENRD) and would be ready by mid-May. The members of the steering group would be invited to contribute to this platform.

Coordination with members was important for each organisation, also between the organisations and the clusters of the CDGs.

The Chair concluded by saying that rural networks have started well and that the first results of the new structures are generally welcomed by the CDG. The Chair stressed that there is a need of active involvement in this new structure, to improve communication and networking and to find out and promote the best solutions for the rural areas.

9. EIP AGRI – best practices – EIP example in Schleswig-Holstein

A presentation was given that would be translated into EN and published on CIRCABC.

The expert stated that an important step of the process was to identify farmers' needs.

They had started in 2013 with the first plan for this instrument. In July 2014, an innovation office was set up to provide support to the farmers. They had also established contacts with the EIP service point.

They had established selection criteria. 17 projects were selected by the jury and the projects would start on 1st June. Some of the topics addressed by the projects were grassland, innovation technology, organic crops and improving their yields, smart grazing, organic

laying hens, compost, better soil quality, managing old domestic species and improving the milking process.

The expert stated that it was necessary to breed a culture of innovation.

Questions:

Birdlife asked how the innovation office was funded, where it sits and how it was politically steered by the regions.

Copa enquired as to what percentage had been set to finance the operational groups' projects and what the different steps were to develop the projects.

EURAF asked how this could be linked to other countries and highlighted that the language barrier was an issue.

Via Campesina enquired about evaluating the jobs created by these projects, looking towards 2020 and the link with energy security.

Answers:

The expert replied that the ministry was paying the staff and that they sit in the chamber of agriculture. The idea was to enhance networking. The projects were 100% financed and for bigger investments, only 50% was covered.

As they were in the Chambers of Agriculture, they could provide support depending on the topics.

Regarding farmers, they were posing questions and did take them into account, but had selection criteria based on the objectives at regional level included in the RDP.

They were also looking at the added value of the projects.

The expert stated that the evaluation was vital in order to see what was new in the project. This was a three-year process and they would see what had been achieved afterwards.

Some parts of the website would be in English and the interim reports would also be published in English.

The EIP service point was also informed.

The Commission stated that things needed to be kept simple and left to the sector.

10. Simplification

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

This was not the first time that they were trying to simplify and this task was a shared responsibility. The Commission could modify the delegated and implementing acts.

The Commissioner presented his intentions for simplification. Work on rural development

would start after the approval of the MS' programmes.

The Commission's plan was to look into the implementation of the programmes and see whether the Commission's provisions had caused administrative burdens and whether the MS had complicated the procedures.

Questions:

Copa stressed that simplification was of great concern to farmers and that we had already sent some preliminary suggestions to the Commission. The interactions between RD and DP were not always clear. Some examples were provided: the definition of an active farmer, and the procedure to publish information on the projects, etc. These suggestions were classified by timing. For the basic act, any changes formed part of a long-term perspective.

EEB mentioned that simplification was only important if it achieved the objectives of the policy. They asked how consultations had been carried out within the MS and enquired as to the results of the MS' conclusions, the council discussions and the EP own-initiative report.

Birdlife reminded that the scope of the review focused on delegated and implementing acts, but therefore asked about the review in 2017. They had also requested the timetable for approval and the deadline before which Commissioner Hogan needed to present it.

Via Campesina mentioned that simplification should not be a quick way to 'illegal' practices using RD funds.

Copa stressed that farmers wanted a decent revenue and should not be penalised for small issues. In addition, farmers did not want to have a complex system.

Answers from the Commission:

The Commission stated that they had been confronted with a situation in which reducing errors consumed more money than what could be saved in reducing the errors.

It was crucial to ensure that the legal provisions be respected.

We would have to wait for the Council's conclusions to see their request to the Commission on specific points.

Once everything was settled and the programmes approved, it would be necessary to analyse what could be done by both the Commission and the MS in the second half of the year.

2017 was a long way away and it was too early to say where we were.

The Chair concluded that the topic was of significant political relevance and that the CDG would continue the discussion on this in the next meeting.

The date for the next meeting could be 24th November and there may be a possibility to have a third meeting in 2015 still as well.

Disclaimer

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