



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

The Director-General

Brussels, 11/05/2022
AGRI.C.3 (2022)3523443

Subject: Observations on the proposal by Slovakia for a CAP Strategic Plan 2023-2027 - CCI: 2023SK06AFSP001

Your Excellency,

I hereby acknowledge receipt of the proposal for the 2023-2027 CAP Strategic Plan of Slovakia, submitted via SFC2021 on 16 February 2022.

An assessment by the Commission services of the proposed CAP strategic plan has identified a number of issues that require further clarification and adaptation. The enclosed annex sets out the relevant observations, which are communicated pursuant to Article 118(3) of Regulation (EU) 2021/2115.

I invite Slovakia to submit a revised proposal of the CAP strategic plan for approval, taking into account these observations.

In accordance with Article 121 of Regulation (EU) 2021/2115, the time limit of 6 months for the Commission decision to approve your CAP Strategic Plan does not include the period starting on the day following the sending of these observations and ending on the date on which Slovakia responds to the Commission and provides a revised proposal.

The Commission is committed to a continued structured dialogue with national authorities in the further approval process of your CAP Strategic Plan. The Commission is open to receiving your written reaction on the key elements of the observations within 3 weeks and intends to publish them subsequently alongside our observations unless you would object to publication of your reaction. I invite your services in charge to engage in bilateral exchanges as soon as possible in order to discuss the observations set out in the Annex.

Yours faithfully,

Wolfgang BURTSCHER

Enclosure: List of observations pursuant to Article 118(3) of Regulation (EU) 2021/2115

Her Excellency Ambassador Petra Vargová
Permanent Representative of the Slovak Republic to the European Union
Avenue de Cortenbergh 107
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Belgium



MINISTRY
OF AGRICULTURE
AND RURAL DEVELOPMENT
OF THE SLOVAK REPUBLIC

Minister of Agriculture and Rural Development
of the Slovak Republic
Samuel Vlčan

Bratislava, 1 June 2022
Dossier no: 7009/2022-650
Letter no: 12678/2022

Dear Commissioner,

Allow me to thank you for your letter of 12th May 2022 (ref. Ares(2022)3619102) regarding the Commission's observations on the Slovak CAP Strategic Plan and for your political engagement in the process. Let me assure you that timely approval of the Plan is my highest political priority. Of course, at the same time, the focus will be aimed at the quality of the Plan, ensuring a balanced approach reached together with a wide range of stakeholders. In the light of the Ukraine crisis it is more than important to ensure certainty on how CAP support will be implemented.

Slovakia welcomes the Commission's observations on the proposal for the 2023 – 2027 CAP Strategic Plan. My services are currently analysing very carefully all the comments raised by the Commission services and are leading expert discussions on the way of incorporating the comments in the revised CAP Strategic Plan. Your services will receive in a due time initial response of Slovakia on the 27 key issues. As transparency is one of the key elements of the current Slovak Government I can confirm my consent with the publication of the Slovak responses together with Commission's observations.

Slovakia appreciates the positive feedback from the Commission on several areas of the Plan, for example on its potential to effectively contribute to the fostering a smart, competitive and diversified agricultural sector and food security, on aspects addressing the environmental protection and green objectives or on animal welfare. On the other hand, Slovakia is aware that some aspects may require further attention and discussion with the Commission.

When revising the Slovak CAP Strategic Plan, we will keep in mind the consensus achieved with the stakeholders, including approval of the Slovak Government reflected in interventions bearing in mind the goals of the Strategic Plan, allocated budget and current geopolitical situation. We look forward to bilateral exchange of views with the Commission services to achieve a compromise, while respecting the principle of subsidiarity, that brings desired results for the entire Slovak agricultural sector.

Yours faithfully

Janusz Wojciechowski
Commissioner for Agriculture
DG AGRI European Commission
Brussels, Belgium



**MINISTRY
OF AGRICULTURE
AND RURAL DEVELOPMENT
OF THE SLOVAK REPUBLIC**

Katarína Mihaľová
Director General
Section of Rural Development and Direct
Payments

Bratislava 1 June 2022
Dossier no: 7009/2022-650
Letter no: 12676/2022

Dear Mr. Burtscher,

Slovakia welcomes the Commission's observations on the Slovakia's CAP Strategic Plan proposal for 2023 – 2027 from 11 May 2022 (Ref.Ares(2022)3580775). Currently we are carefully analysing all of the comments raised by the Commission services and are leading expert discussions on the way of incorporating these comments in the revised CAP Strategic Plan. Please see enclosed the Slovak initial responses on 27 key issues. As confirmed by our minister in the letter to Commissioner, we agree with the publication of these responses.

I as well appreciate the positive feedback from the Commission on a number of elements in the Plan. Many of Commission's observations will be incorporated in the revised proposal of the CAP Strategic Plan in an acceptable way. On the other hand, there are still several issues that require attention or need to be further elaborated and discussed with the Commission services. These include e.g. better interconnection between the SWOT analysis and intervention logic, precision of level of ambition, the contribution to green deal targets, or the reflection of the geopolitical situation, in terms of the Ukraine crisis. In addition, the strategic approach of the national Agricultural Knowledge and Innovation System and digitalisation strategy as well as the potential to contribute effectively to strengthening the socio-economic fabric of rural areas are some of the issues that need to be addressed during the discussions with the Commission.

An important aspect is that the Slovak CAP Strategic Plan was agreed and closely discussed with national stakeholders and approved by the Slovak Government. In the light of this mandate, we have to consider very sensitively each revision of the Plan in order to preserve national consensus.

I very much look forward to constructive discussions with the Commission and hope for an early conclusion of this process.

Yours faithfully

Wolfgang Burtscher
The Director-General
Directorate-General for Agriculture and Rural Development
1049 Brussels
Belgium

ANNEX: SK initial Reaction on Key Issues

1. Strategic focus of the Plan (EC comments 1-4)

Slovakia welcomes comments by the Commission on the crucial role of relevant stakeholders in the process of the drafting of the Plan. The partnership principle was adhered to in all stages of the preparation of the Plan including the SWOT analysis, assessment of the needs, designing of interventions as well as setting of the targets. The whole process and intervention logic was scrutinized by ex-ante evaluator. After the broad national agreement on the Plan was achieved, it was approved politically by the Slovak government. Slovakia is ready to provide further explanations on the strategic focus of the Plan and level of ambition and discuss with the Commission possible improvements of the Plan given financial and institutional constraints. Slovakia will verify and complete the links between the SWOT analysis, identified needs, interventions, and targets to improve the consistency of the Plan and will add additional details to interventions and other elements of the Plan as requested by the Commission.

2. Fostering agricultural sector, Economic objectives (EC comments 5-9)

Slovakia appreciates the opinion of the Commission on the potential of the Plan to effectively contribute to fostering agricultural sector and food security. We are confident that the Plan will significantly improve the distribution of direct payments and target income support efficiently and fairly. However, we will gladly provide additional analysis on targeting of direct payments showing combined effects of all proposed income support tools on the income level of various types of farms.

Slovakia welcomes the comment on the Plan's increased support for small farms and organic production. As noted by the Commission, small farms will benefit from increased income and investment support while the budget allocated and area dedicated to organic farming will be enhanced.

Slovakia plans to extend the current support for operational programmes in F&V sector to other sectors (milk, potatoes, pig and sheep meat) in order to improve the position of farmers in supply chain and to enhance value added by farms. The selection of sectors in which new operational programmes will be established was conducted with all relevant stakeholders. To encourage farmers to form new or to join existing POs and thus to increase concentration of supply as well as to increase value added the Plan allocates resources specifically for training and counselling for farmers willing to establish or join POs.

To cope with the consequences of unprovoked Russian invasion of Ukraine on food security and use of energy and to improve the reaction of the Plan to global economic and environmental challenges, within current Plan, there are possibilities and opportunities for Slovakia to reduce dependence on fossil fuels. In addition, Slovakia will explicitly allocate appropriate resources within existing interventions of the Plan that will reduce Slovakia's dependence on fossil fuels, Russian energy, and other externally sourced inputs and will enhance sustainability and competitiveness of farms and the whole food supply chain.

3. Environmental protection, Green objectives (EC comments 10-20)

Slovakia welcomes the Commission's observations that the Plan includes relevant aspects related to climate change, protection of natural resources, strengthened agri-environment-climate interventions and the efforts regarding renewable energy production. The Slovak Republic also takes note of the Commission's opinion that the Plan has the potential to deliver a greater overall contribution to the environmental and climate-related objectives and contains new interventions that contribute to environmental objectives above the current level.

The Commission invites Slovakia to make several adjustments to improve the environmental and climate effects of the Plan and Slovakia is ready to discuss these changes within the structured dialogue with the Commission services where we will demonstrate the increased ambition of the proposed green architecture using qualitative and quantitative analysis, discuss the levels of targets set in the Plan, and explain our position on GAEC compliance with the regulatory framework. Slovakia notes Commission's observations on livestock GHG emissions and will be prepared to discuss their reduction with the Commission within the framework of the Plan.

As requested by the Commission Slovakia will improve the alignment of the interventions with the legislative instruments in Annex XIII and with PAF. Within this alignment process we will discuss the possibility of enhancement of the contribution of the Plan to national targets.

Slovakia intends to discuss the linking of the interventions of the Plan, where possible, to national targets that will be laid down in the Effort Sharing Regulation and the Regulation for the Land Use, Land Change and Forestry that are being currently discussed by EU co-legislators.

Slovakia understands the Commission invitation to strengthen the interventions that improve nutrient use efficiency, circular approaches to nutrient use, including organic fertilising as well as interventions that reduce energy consumption. We are ready to discuss these interventions with the Commission services and demonstrate the contribution of the Slovak Plan to these objectives.

It is however important to notice that there are significant obstacles to introduce new interventions to the Plan given the need to start implementation of the Plan in 2023 year and considering significant effort that was exerted to achieve consensus on interventions and their programming with stakeholders.

Slovakia welcomes the Commission's effort to encourage renewable energy production and on the backdrop of war in Ukraine and climate change Slovakia will adjust the Plan to take full advantage of the SPR to increase production of renewable energy, increase energy efficiency and reduce dependence on imported fossil fuels while reducing GHG emissions.

The Plan focuses, among other objectives, also on the support to the livestock sector, including animal welfare. In the previous decades, there has been a significant decline in the number of livestock in Slovakia and the total livestock Greenhouse Gas emissions are relatively low. Moreover, emissions per head of animal will be additionally addressed by training, counselling and EIP groups.

As regards conditionality, in the process of drafting the Plan the effort of Slovakia was focused on setting the GAEC standards in a way that they would be fully in line with the applicable legislation of the European Union and also with the agricultural, geographical and environmental conditions and specificities of Slovakia. Nevertheless, we would like to assure the Commission that close attention will be paid to providing all necessary clarifications and safeguards.

Slovakia appreciates that the Commission does see added value in the proposed whole-farm eco-scheme as it is the cornerstone of green architecture within the 1st pillar of the CAP. At the same time, we take note of the request to elevate the environmental ambition as regards several elements of the eco-scheme. Bearing in mind that the whole-farm eco-scheme is structured around the principle that beneficiaries generally cannot choose which actions to carry out, careful attention needs to be paid to striking the balance between different actions and their consequences for both the environment and the viability of agricultural activity on areas subject to the whole-farm eco-scheme. The actions required should thus be viewed through the prism of several differing aspects including the CAP budget that, albeit robust, has to cater to many different objectives.

We are, however, committed to providing more explanations and finding feasible solutions as regards relevant elements of the green architecture in a way that respects both the strategic choices made and the desired level of ambition; one of such areas being the issue of non-productive areas and features.

4. Rural areas, Socio-economic objectives (EC comments 21-24)

Several policies are used to strengthen the socio-economic fabric of rural areas in Slovakia. Not just interventions contained in the Plan. Slovakia will provide Commission services with facts of the contribution of other programs to rural development (e.g. Programme Slovakia) in the structured dialogue and subsequently the Plan will be modified to contain all relevant information regarding the links between policies and rural development. The concerns of the Commission will be explicitly dealt with within existing intervention rather than in the form of new interventions. We are considering to expand the geographical impact within the LEADER program, which according to ex-ante analysis brings bigger value added than stand-alone measures supporting individual communities. Slovakia will also revise SWOT analysis on rural development as requested by the Commission.

Slovakia is fully committed to promote gender equality in all aspects, including agricultural policy. The Plan contains several measures to ensure gender equality (e.g. young farmers). We understand that also soft measures may be very effective in promoting gender equality in agriculture and rural development. However, Slovakia is ready to uphold this principle in the Plan and to discuss with the Commission different ways to achieve this goal.

Slovakia acknowledges positive observations of the Commission on the Plan's animal welfare measures for sheep, goats, dairy cows and creating grazing opportunities for cattle. Interventions for pigs and poultry will bring value added for taxpayers in terms of increased welfare and health of animals as well as safety and quality of products for consumers. Further measures to enhance welfare would face financial constraints to the Plan and producers and would be opposed by relevant stakeholders.

Slovakia is monitoring the situation in relation to the outbreak of African swine fever very closely. Many measures against the African swine fever are implemented in Slovakia (fencing of pig farms, construction of disinfection troughs at the entrance to the farms, regular cleaning and disinfection of vehicles and equipment used in farms, restriction of unauthorized persons in farms, disinfection mats at the entrance to stables, regular health checks for pigs). Also accompanying measures to minimize the further spread within the territory are in place (reducing the density of all categories of wild boar population, analysis of wild boar samples, active search for dead wild boar, purchase of cooling boxes for storing wild boar bodies until the result of analysed samples). These measures go beyond the Strategic plan.

5. Knowledge, innovation and digitalization, Cross-cutting objectives (EC comments 25-26)

Slovakia welcomes Commission's comments on strategic approach towards knowledge sharing and innovation. Slovakia's Plan strengthens the Agriculture Knowledge and Innovation System (AKIS) and develops a well-functioning AKIS. Slovakia will further elaborate on the strategy for AKIS. We believe that the Plan contains several instruments that lead to knowledge transfer as well as innovation transfer, however we will further specify these measures, interlink them, strengthen them in substance and make them clearer.

Regarding the digitalisation strategy, Slovakia recognizes its importance for the whole sector. We agree that the Plan requires a more detailed and structured overview of the synergy and effects of all interventions in the Plan and other instruments.

6. European Green Deal targets (EC comment 27)

Slovakia will set in the Plan national targets on Anti-microbial resistance, Pesticides, Nutrient losses, High-diversity landscape features and Organic farming as stated in Farm to Fork and Biodiversity

strategies and will complement the text with explanations on the contributions of the Plan's interventions to the achievement of national targets. Slovakia is confident that the Slovak plan makes fair contribution to the EU wide targets for year 2030 given the current state of the Slovak agriculture as emphasized in the SWOT analysis and assessments of the needs while considering positions of all relevant stakeholders. More details and explanations will be provided during technical exchanges.

However, in order to assess compliance with the Green Deal targets, we must recall what has been said many times during the reform process, namely that the approval process should be based on the requirements of the relevant legally binding acts. This has been strongly urged by the Member States and should be a principle which we would very much welcome during the negotiation process.

Rural broadband: The national target toward 100% coverage of broadband connection and to meet the requirements of a gigabit society is set by the National Broadband Plan, that references to the whole territory (either urban or rural). More information will be provided since the broadband connectivity in Slovakia is targeted through activities planned in Programme Slovakia.