

**Technical working group on
Rural Development legislative proposal
Questions for a meeting with the team of technical experts
from DG AGRI
14 February 2012**

Working Parties involved:

Sector	Questions	Working Party or Advisory Group
Rural Development		WP on Rural Development
Environment		WP on Environment
Forestry		WP on Forestry
Organic farming		WP on Organic farming
Bioenergy/Biotechnology		WP on Bioenergy/Biotechnology

Questions to be addressed in the technical meeting with DG AGRI on the Rural Development legal proposal

	Article	Issue	Question	Comments
1	General question related to the RDP	Objectives and union priorities for rural development	<p>Is there an overall definition for agricultural business and activities eligible for CAP support, whether from Pillar 1 or Pillar 2? In particular certain ideas need to be distinguished with respect to the two pillars for example SMEs, active farmers and land eligible for support etc.</p> <p>How the competitiveness of agricultural sector addressed in the regulation proposal?</p>	<p>The approach and support of competitiveness of agriculture should be based on broad view. One of the three objectives of rural development policy is supporting "Competitiveness of agriculture", that shall be pursued, namely, by "Enhancing competitiveness of all types of agriculture and enhancing farm viability". At the same time, the proposed regulation provides " a focus ...on facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification". If confirmed this understanding, the current wording of the proposal should be improved so as not to give rise to a more simplistic interpretation on this issue.</p>
	Investments			
2	Art 8 Thematic sub-programs and Art 18	Maximum support rate	<p>Art 8 (3) it states that "in the case of young farmers and mountain areas the maximum support rate may be increased in accordance to annex 1". Would this increase only apply for operations benefiting from support through the sub-programs?</p> <p>From the list of indicative measures of particular relevance to the mountain sub-programs only Art 18 "investments in physical assets" would appear eligible for increase in level of support (Annex 1) . Is Art 18 the only measure which would benefit from</p>	

			increased support within the mountain sub-program?	
3	Coherence between: Art 8, Art 18 , Art 33 and Annex 1		Art 8, Art 18 and Art 33 and Annex 1: How do you interpret the incoherence between the Art 18 paragraph 3 which excludes the possibility of increased support from mountain areas and Annex 1 where it refers to areas with natural constraints such as those targeted under Art 33 and which include mountain areas? Would this mean that increased support for mountain areas is only possible via a mountain sub-program? (The same applies for young farmers).	
4	Art 18 Investments in physical assets	<p>Eligibility of certain type of investments</p> <p>Cooperatives</p> <p>Forestry</p> <p>Collective investments and integrated projects</p>	<p>(1b) The text does not clarify who is eligible under “processing, marketing and/or development of agricultural products”? Nevertheless in recital 19 it would appear that only “rural SME’s” not part of farms are concerned. Is it only rural SME’s and farms that maybe benefit from this measure? What is the definition of “rural SME”? It is not defined in 2003/361/EC</p> <p>Does this article include the support for investments made in order to comply with Community standards, currently provided in the Council regulation (EC) No 1698/2005?</p> <p>What type of support under this article is also available to cooperatives?</p> <p>What does “c. Infrastructure investments related to access to farm and forest land mean”? Would this cover e.g. forest roads?</p> <p>What kind of collective investments and integrated projects would be supported under this article? How could the coordination with other measures look like</p>	<p>Joint marketing and processing can bring added value.</p> <p>E.g. joint investments in storage or dryer are more efficient done in groups and thus producer groups and POs should be also eligible for support.</p>

		Size limitation	<p>and what other measures are covered (investments + agri-environment-climate)?</p> <p>What is the definition of “integrated projects”? How is it defined?</p> <p>Why is support to agricultural activities (farm restructuring) limited in size unlike investments for non-agricultural activities? Limitation of the support to certain size of farms (Art 18.2.) creates bureaucracy. Why has this been introduced? Why should it be defined at MS level?</p>	
		Second hand machinery	<p>Is acquisition of 2nd hand machinery eligible?</p> <p>If so under which conditions?</p>	
		Non productive investments	<p>Is there any relationship between the “non productive investments” referred in Article 18 and the article 35 – Investments in forest area development ...? If so, this link is exclusively with article 35?</p>	
		Related to article 18 on obligation of complying with community standards	<p>The current regulation 1698/2005 provides a support, in Article 31, to compensate the costs incurred and income foregone related to the obligation of complying certain community standards. What is the reason why this support is not provided in the proposed regulation?</p>	
5	Art 20	Farm and business development	<p>Why has early retirement scheme has been removed (Old Art 23)? Would state aid rules allow similar measures? If yes to which extent?</p>	
		Young farmers	<p>How to harmonize support to young farmers under this article with support under sub-programs (Art</p>	

		Small farms	<p>8)? How to make sure sub-programs don't create additional burden? (Art 8) Are other sub-programs possible? How to align the sub-program support with the timetable of the support for investments? Is the definition of small farms under paragraph 2 left to MS where as in Paragraph 1 (c) the definition is same as in Pillar 1?</p> <p>Is there a relationship between the "small farms" definition referred under different Pillars?</p> <p>What is implied by the broadening of the investments (1b) to non-agricultural activities for micro and small enterprises in rural areas?</p> <p>What are the differences between the support provided in point 1.(a) (ii) and the support provided in point 1.(b)?</p>	
	Renewable energy			
6	Art 21	Renewable energy	<p>(1b) What kind of investments in renewable energy are included? What types of renewable energy infrastructure shall be eligible for support under this measure? E.g. only the energy plant or also production costs or forest roads? Who is eligible for the support? Would only investments by public bodies be covered?</p> <p>What specific derogations for investments in renewable energy could be expected? Who defines the criteria?</p>	
	Forestry			
7	Art 22	Investments in forestry	<p>Why is the support for competitiveness of forestry excluded in the new proposal?</p> <p>Are there any indications for the size of forest holding under paragraph 2 for the conditionality of submitting a forest management plan? (How many</p>	In line with EU 2020 strategy support for competitive forest sector would be needed.

			ha?) Why forest management plans are required?	
8	Art 23	Definition of “short rotation coppice”	How “short rotation coppice” will be defined? Will there be a common definition to all MS or can it be adopted at a national level?	
9	Art 25	Limiting support to loss of at least 30% of the relevant forest potential existing in the preceding three year.	Where does the limit to 30% come from? Is there possibility of having different % limits to different causes of loss in forest potential?	<p>This condition is too restrictive as it leaves out of consideration all the situations of severe forest decline caused either by pollutants, climate change or biotic factors as pest or diseases.</p> <p>Only forest fires and storms would have the potential of causing sudden and disruptive losses of forest potential. Typically, forest pathogens and climate change promote an insidious and continuous decay of forest ecosystems that, at a long term can lead to total losses, but at short term can hardly result in losses of forest potential at a scale of 30% in three years.</p>
10	Art 27	Investments in new forestry technologies	<p>What does investments in “enhancing forestry potential” mean? (Would it be expected that the support granted by this article would be equivalent to the current Art 27 on “<i>Improvement of the economic value of forests</i>” in existing regulation?)</p> <p>Are thinning, pruning and early management measures included?</p> <p>What SME’s would be eligible for support?</p> <p>What does “resource friendly harvesting machinery” means?</p>	
11	Art 28	Setting up producer groups	<p>Why is support limited to SME’s? What happens with the producer groups above SME’s dimension?</p> <p>What is the link between producer groups in Art 28 and in Art 106 on producer organisations under single CMO?</p>	
12	Art 46	Non eligibility of	Is financial support available for new irrigation	The proposed regulation establish that “In case of

		certain type of investment in irrigated areas	installations? What reference is used to calculate the 25% saving?	<p>irrigation only investments that lead to a reduction of previous water use by at least 25% shall be considered as eligible expenditure” and also that new irrigation installations are eligible only in the Member States that adhered to the Union from 2004.</p> <p>This can have negative impact to the competitiveness of agriculture in countries where the use of water is a key factor.</p> <p>New irrigation installations can improve land and water use efficiency.</p>
	Advice			
13	Art 16	Advisory Services	<p>How to align the FAS with the advisory services under RD? (1b)</p> <p>Why this support is limited to 5 year period after setting up the advisory services?</p> <p>How to simplify the access to support for participation of farmers to advice?</p> <p>How to ensure that farmers’ needs are met with the open list of topics in the article?</p> <p>Could vouchers to be given to farmers to choose their advisory provider themselves be considered?</p> <p>How to reduce the bureaucracy and make sure this doesn’t create additional on spot checks?</p> <p>Could advisory services be provided to agro-forestry measures?</p> <p>How the new advisory services can improve the overall competitiveness of farm holding?</p>	<p>Advise should be based on demand. Currently farmers don’t find relevant advisory services offered. Has to be simple and easy for farmer to participate. The limitation to one of the elements listed can constrain the service provided.</p> <p>Vouchers could improve the advice available by bringing new actors on the provider market.</p>
14	Art 15	Knowledge transfer and information action	<p>How to distinguish support under Art 16 and Art 15 in order to avoid overlap?</p> <p>Art 15 (1): What does coaching mean in practice?</p> <p>How to improve the concrete uptake of new innovations? How to improve the research to target</p>	<p>Small farms need coaching and step by step help. With vouchers farmer can better choose the kind of advise he needs.</p> <p>Long period of learning to farmer needs to be developed. Courses from basics to more advanced are</p>

			<p>the real needs at farm level? Who is capable of giving the advice? What qualifications are required from those offering vocational training and skills acquisition actions? Group of beneficiaries is very large. Why has the scope been broadened to other economic actors than those in agricultural and forestry sector?</p>	needed.
	Environment			
15	Recital 28:		<p>MS are required to spend minimum of 25% of total EAFRD expenditure on each rural development program through agri-environmental payments favouring organic farming or areas with specific or natural constraints. Could additional conditions be introduced to balance the different types of payments covered under the 25%? For example could a minimum percentage apply to areas with natural constraints or agri-environmental-climate payments?</p>	
16	Art 29	Agri-environment-climate	<p>Points 2 and 6. The text does not clarify whether maintaining existing practices is eligible or whether only introduction of new operations. In paragraph 6 reference to additional costs or income forgone: Why is the payment level no longer covering all but optionally only part of additional costs or income forgone? Does this mean that only new practices which are introduced are covered? In recital 28 refers to “introducing or continuing to apply agricultural practices contributing to climate change mitigation...”. So by maintaining existing practices would agri-environmental payments still be paid? What will agri-environmental scheme deliver in combination with Pillar 1 measures? How to link environmental friendly investments with agri-environment-climate measure?</p>	

			<p>Why fixing an optional top up for participation of groups of farmers: as it is only encouraging measures with higher support level? Why not having a specific article to incentivise group actions (not only for environment but e.g. also for investments, advice)? What climate measures can be supported? How to distinguish to the newly added cross compliance requirements on soil (in particularly regarding carbon rich soils)?</p> <p>How to ensure a smooth transition between the two programming periods?</p> <p>Why is it that no provisions are made to allow farmers to apply at least during two or three years for single schemes?</p> <p>How to ensure that farmers can enter into agri-environmental-climate schemes on land that is part of the ecological focus area in order to support particularly environmentally friendly land management of these areas?</p> <p>29.6 (and 30.4): How will baseline be affected by the greening measures in pillar 1?</p> <p>How to assure that agri-environment measures addressing the spreading of invasive species (being harmful to ecosystems) will be possible in the future?</p>	<p>The opening of the scheme for only one year is hampering participation of farmers that need more advice and knowledge acquisition before entering into the scheme.</p> <p>A per se exclusion of parts of agricultural land for agri-environment would put at risk the particular management needs of sensitive areas.</p> <p>In the proposals under GAEC 8 (under cross compliance) farmers will have to act against invasive species.</p>
17	Point 28 of the preamble of the proposed regulation		<p>Point 28 in the preamble of the regulation establish that "Member States should keep the support at the same level as in the programming period 2007-2013 and use at least 25% of the EAFRD total contribution allocated to each rural development program to climate change mitigation and adaptation and management of land through agri-environment-climate, organic farming and payments for areas</p>	

			<p>subject to natural conditions or other specific constraints.</p> <p>Does this mean that we must create conditions to ensure the financing of these measures, at least at the same level of the current period, so as not to lose areas in agri-environment commitments and environmental benefits already achieved, and never less than 25%? Also, as this condition appears only in the preamble, it should be clarified whether this is a recommendation or an obligation.</p>	
18	Art 30	Organic farming	<p>If organic farmers participate to agri-environment-climate schemes what is the base line they have to comply with being exempted from greening obligations (e.g. for ecological set aside)?</p>	<p>While other farmers have 7 % of their arable land as ecological focus area, organic farmers could theoretically enter agri-environment-climate schemes for all measures not being covered by the organic regulation.</p>
19	Art 31	<p>Natura 2000 and WFD</p> <p>WFD</p>	<p>What is included under “duly justified cases” for extending the payment to other land managers? Who is included under the heading “other land managers”?</p> <p>Why is it that payment under WFD is limited to “major changes” (3d) and what does it cover? (6c) Why is it specified as it is redundant? All agricultural area is covered by river basin management plans.</p> <p>Why are the maximum amounts so low (Annex 1)?</p> <p>Should this support be established according the requirements of all criteria mentioned or could a specific support be designed referring just one of them like major changes?</p> <p>WFD 4 (a). What is considered to be the specific requirements that, cumulatively, "(...) have been</p>	<p>It is specified that support to farmers, linked to Directive 2000/60/EC shall only be granted in relation to specific requirements under the directive leading to major changes in type of land use, and /or major restrictions in farming practice resulting in a significant loss of income.</p>

		WFD	<p>introduced by the WFD ... and go beyond the measures necessary for the implementation of other Union legislation for the protection of water resources"?</p> <p>Article 93 of the proposal for the regulation on the financing, management and monitoring of the common agricultural policy provides that when the Directive 2000/60/EC has been implemented and the obligations directly applied to farmers have been identified, the directive will incorporate the statutory management requirements (conditionality). Thus, how is this provision articulated with the payments of the WFD, intended to compensate the beneficiaries for the costs incurred and income foregone resulting from the application of Directive 2000/60/EC and that should go beyond the statutory management requirements and good agricultural and environmental conditions?</p>	
	LFA			
20	Art 32	Areas facing specific natural constraints	<p>Art 32 (1) states that additional costs and income forgone shall be calculated...taking into account payments pursuant to chapter 3 of title 3 of regulation EU n:o PD 2012. How are we to understand the reference to title 3 chapter 3 of the Direct payments regulation which refers to the possibility of providing payments for areas with natural constraints for up to 5% of the national first pillar envelope? How would this pillar 2 support be effected by the support allocated under Pillar 1 (same denomination in both regulations)? Are we to understand that the 300e /ha ceiling on payments to mountain areas corresponds to overall envelope (pillar 1 and pillar 2) for payments for areas with</p>	

			<p>natural constraints?</p> <p>The process of delimitation of areas facing natural constraints based on the biophysical criteria has been a long time in the discussion in the European Commission. What is the current situation on this process?</p>	
	Networking		<p>How would these different networks work together (ENRD Art 52, EIP Art 53, NRN Art 55)?</p>	
21	Art 55	NRN	<p>Who will be part of this network? How will the stakeholders be able to participate? How will the NRN foster innovation in agriculture?</p> <p>3 b viii. How will the facilitation of exchange of practise and experience among adviser and/or advisory services take place? What advisory services is this referring to?</p> <p>What networking activities for innovation are expected?</p>	
22	Art 42	Leader	<p>Leader is considered too bureaucratic at the moment, adding red tape and the pre-definition of focus areas are found too restrictive.</p> <p>Is it possible in the existing LAG to have it enlarged to include other representative organisations/ stakeholders? What are the major practical changes for Leader in the new proposal?</p> <p>If in a region a local action group exists, will it be possible to set up a new group in view of undertaking different actions or instead a group outside the existing one for small pilot projects with RD support?</p>	

	Co-operation			
23	Art 36	Horizontal and vertical co-operation among supply chain actors	<p>How the different forms of co-operation are envisioned? In general what would this measure mean? If primary producers are not required anymore as one entity of the co-operation how the primary sector is involved in co-operation? (2 d). Would the Commission include logistic actors not directly involved in the food chain as “supply chain actors”?</p> <p>9. “Co-operation under this measure may be combined with projects supported by Union funds other than the EAFRD in the same territory. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.” Is this to be understood that this support will be compatible with any other fund wherever it it comes from as long as each measure within a project would not be overcompensated? Should each measure be supported by just one specific fund? How the control for this would be carried out?</p>	<p>In short supply chain logistic is the main problem at this moment. These transport companies do not buy products just to transport them.</p>