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NOTE

From: General Secretariat of the Council
To: Council

Subject: CAP simplification
- Review of greening after one year

Greening is one of the innovations introduced to the direct payments regime for the 2014-2020 CAP¹. Its aim is to reward farmers for adopting and maintaining a more sustainable approach to the use of agricultural land and for caring for natural resources by adopting practices that contribute to the achievement of the EU's environmental and climate goals.

As recalled at the SCA on 20 June and 6 July, simplification-related issues are also addressed as part of the ongoing REFIT programme, with the effectiveness and efficiency of the CAP as a priority for an opinion to be delivered. In any event, it is paramount to maintain consistency between the simplification exercise carried out on the basis of the conclusions of May 2015² and that under REFIT.

¹ Regulation (EU) 1307/2013, Delegated Regulation 639/2014 and Implementing Regulation 641/2014

² doc. 8485/15

As announced in April 2014³, the Commission carried out a review of the greening provisions after their first year of application. A public consultation exercise took place from December 2015 to March 2016. It was a wide-ranging exercise, analysing the experience gained from the implementation of greening in Member States, and whether this provided a level playing-field, the effect on production potential and on environmental objectives, and the scope for simplifying the greening framework and reducing the administrative burden associated with it.

The Commission has just reported on the outcome of the consultation, its conclusions and how it intends to implement them. The report takes the form of a Commission Staff Working Document (SWD) published on 22 June (10476/16).

The main conclusions in the Commission's SWD are the following:

- i) greening has the potential to deliver environmental and climate benefits on a large share of EU farmland, although its true impact in achieving this is difficult to assess after only one year of implementation;
- ii) Member States' choices made when implementing greening have had no significant impact on the level playing-field for EU farmers and
- iii) greening's impact on production levels appears to be limited.

³ Commission declaration of 2 April 2014 accompanying the adoption of Delegated Regulation 639/2014: *"The Commission undertakes to thoroughly evaluate the experience with the implementation of the obligations on Ecological Focus Areas (EFA) as part of the 'greening' obligations, after the first year of application. In particular, the Commission will ensure that the administrative burden for Member State authorities and producers arising from the application of EFA is kept to an absolute minimum and that procedures are simplified, including those on ditches. The situation in terms of a level playing field due to the implementation of EFA in different Member States will also be examined and addressed if necessary. Should the requirement to meet the EFA obligations result in a noticeable reduction of the production potential of the EU, the Commission will revise the relevant delegated act."*

The overall conclusion is the need for greening simplification through, at this stage, a number of changes to the delegated act pertaining to greening (Delegated Regulation 639/2014). The Commission presented the proposed changes to the delegated act at the Expert Group meeting on 6 July, the aim being for the changes to apply from claim year 2017: the adoption of the changes should therefore be carried out rapidly enough for the necessary adaptation of farmers and administration to take place. Further Expert Group meetings are scheduled for 18 July and 25 August. The objectives of the changes to be proposed include:

- better specification and/or clarification of what is required from farmers and national administrations, especially as regards landscape features;
- eliminating some burdensome technical requirements without lowering environmental benefits;
- providing more flexibility or alternative options where this increases the environmental and climate benefits of greening; and
- additional harmonisation of some requirements and conditions.

The Commission presented its SWD and its proposals for greening simplification to the Special Committee on Agriculture on 6 July.

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At the Council on 18 July, Ministers may wish to exchange views on whether the above mentioned proposals strike the right balance between stability and simplification, whether they correspond to the Council's simplification priorities for greening, as set out in its conclusions of May 2015, and whether they will provide genuine simplification, both for farmers and for national and regional administrations. As expressed by the Commission at the Special Committee on Agriculture meeting of 6 July 2016, a reflection on greening not only in the context of simplification might be appropriate in due time.

In the light of this exchange of views the Presidency intends to convey useful messages to the Commission as far as greening and the continuation of its simplification work are concerned.
