



EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Directorate D
SG-D-3 – Resource Efficiency

Brussels, 15 February 2017

SI(2017) 49

NOTE TO MEMBERS OF THE COMMISSION

**Subject: Meeting of the Special Committee on Agriculture (SCA)
Brussels, 13 February 2017 - Summary record**

The Special Committee for Agriculture was briefed by the Commission on the recently launched public consultation on simplification and modernisation of the CAP. A Ministerial policy debate on the matter is scheduled for the AGRI Council in March. The SCA proceeded with the discussion on CAP simplification in the context of the Omnibus proposal, where the Presidency aims at establishing Council's negotiating position by April. Whilst the formal Council's position in view of the trilogues with the European Parliament will be established in Coreper II, SCA-related issues will be ring-fenced within that mandate and Coreper II will not reopen these chapters. The SCA also briefly discussed two recent Reports by the European Court of Auditors on which the Presidency aims at adoption of Council Conclusions.

[signed]

Further information: [redacted]

1. Adoption of the agenda

I

2. Summary record of the 1541th meeting of the SCA

5505/17 CRS CSA 1

II

3. Consultation on Modernising and Simplifying the Common Agricultural Policy

On 2 February 2017, the Commission launched a three-month public consultation on the future of the CAP. The Commission outlined the main points of the consultation and set out the next steps in this process.

The Commission stressed the need of modernisation in order to maximise the CAP's contribution towards sustainable development and to accommodate the farmers' needs. Also stability needs to be insured on the markets, and account taken of the shift in the multilateral framework. The Commission also mentioned to occurrence of a conference foreseen for July 2017 and a Commission Communication foreseen to be adopted by the end of 2017.

A number of delegations (■■■) raised clarifications questions concerning the budgetary implications, the Treaty obligations, and the relevance of the food (chain) policy.

The Commission confirmed the primacy of the Treaty objectives, but stressed the need to adapt the general rules to the current farmers' challenges. The budget implications will be subject to the future political discussion. The Commission also confirmed its intention to include food chain policies in CAP post 2020 discussions, and to include the topic in the impact assessment exercise. Regarding the farmers' position in the food chain, the Commission underlined the conclusions of the task force. Finally, the Commission also confirmed its determination to process the large number of responses it will receive in response of the public consultation.

PRES took note of the Commission presentation of modernising CAP, of the delegations' questions and of the Commission replies, confirming that a discussion on the future of the CAP is planned for the March Agriculture and Fisheries Council.

Contact: ■■■■ DG AGRI, Unit I.5 Tel.: ■■■■

4. The special reports of the European Court of Auditors (ECA) on the Land Parcel Identification System (No 25/2016) and on cross-compliance (No 26/2016)

–Exchange of views

■■■ and ■■■ had asked for these two reports to be discussed. These delegations have noted that the ECA's recommendations related to control systems may lead to possible administrative burden and costs for Member States, and are therefore relevant in the context of the discussion on the future of the CAP.

The main points raised by Member States concerning the cross-compliance (CC) report at yesterday's SCA:

- COM should provide more support to MS concerning implementation and application of policies instead of auditing (■■■)
- LPIS and CC should be revised in light of cost – benefit ratio (■■■)

- In light of ECA’s recommendation 3 of the Special Report on CC (26/2016), MS control obligations and obligations for farmers should be simplified ([REDACTED] [REDACTED] [REDACTED] [REDACTED])
- ECA’s recommendation 4 on crossings between greening and CC is supported ([REDACTED] [REDACTED] [REDACTED] [REDACTED])
- The ECA recommendations should be considered for the CAP post-2020 ([REDACTED] [REDACTED] [REDACTED])
- CC controls should be risk based and the total number of controls reduced ([REDACTED] [REDACTED])
- Sanctions should only relate to the payment affected e.g. animal related infringements should only result in reducing animal related payments ([REDACTED])
- Obligation to increase on-the-spot checks(for the SMR concerned) in case of an increase number of infringements to be considered for OMNIBUS ([REDACTED])
- No additional requirements ([REDACTED] [REDACTED]) but asked to integrated SUD and water framework Directive ([REDACTED])
- Flexibility for climatic conditions and small farmers requested ([REDACTED])
- Define intentionality ([REDACTED])
- More guidance on sanctions in accordance with ECA’s recommendation no.6 ([REDACTED] [REDACTED] [REDACTED])
- Simplification already achieved was recognised ([REDACTED])
- No comments on CC ([REDACTED] [REDACTED] [REDACTED] [REDACTED])

The Commission shared the delegations concerns regarding the need to modernise and simplify the implementation of these two policies, thereby reducing the administrative burden. The Commission also agreed with the delegations that cost effectiveness considerations should be included when assessing the design of these policies. For LPIS in particular, the Commission agreed the ECA conclusions need to be implemented in a pragmatic way. The Commission also pointed out that a reduction of the number of on-the-spot controls (from 5% to 1%) is already possible today in case the concerned error rates are deemed reliable (i.e. below the materiality threshold of 2%). Also, the penalties should be proportional to the financial risks identified and minimised where possible as the purpose is not to penalise the farmers (COM recently lowered sanctions in area related sanctions, also introducing the so-called "yellow card"). However, the Commission underlined that the risk analyses carried out for the on-the-spot control need to be of a sufficient quality in order to be useable as in some case the error rates found when using a random risk sample were higher than the error rates obtained from risk-based controls. Finally, the Commission also mentioned that the term “intentionality” has been recently defined by the ECJ in a judgment.

[REDACTED] welcomed the support received from the other delegations and asked for a more proactive stance from the Commission.

PRES took note of the views of the Delegations and the relevance of the ECA recommendations on LPIS and CC, and on the need to take these into consideration in the post 2020 CAP discussions. PRES will invite AGRIFISH COUNCIL to put this on the agenda of the Agriculture and Fisheries Council planned for the March 2017.

Reporting: [REDACTED] [REDACTED] [REDACTED] DG AGRI, Unit I.5 Tel.: [REDACTED]

5. Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulations (EU) No 1296/2013, (EU) No 1299/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014,(EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council (Omnibus proposal) (First reading) Interinstitutional file: 2016/0282 (COD)
– Exchange of views

The delegations were asked by the PRES to express their views on the following eight amendments: active farmer and income stabilisation tool from the Rural Development Regulation; financial discipline and common provisions from the Horizontal Regulation; permanent grassland and young farmers scheme from the Direct Payments Regulation; and national financial assistance and regional crises from the CMO Regulation. The Presidency insisted on its intention to reach an agreement within the Council by April. For this reason, delegations were asked to employ self-restraint in their proposals and to express their views without entering into detailed drafting suggestions. This was without prejudice to subsequent additional amendments.

On regional crises (from the CMO Regulation) [REDACTED] requested explicitly to reflect on why the relative provisions were only used once, especially given the budgetary margin and savings made in the CMO context, arguing that current framework lacks the necessary flexibility to be very responsive.

The Commission took note of the different interventions and offered its continued technical support to the Presidency, encouraging the Council secretariat to go forward. It also committed to sharing some changes it could already make in order to accommodate some suggested amendments. The Commission also reiterated its intention to maintain the initial schedule in order for the changes to enter into force on 1 December 2018.

The PRES announced a compromise text (document 5936/17) to be published shortly with suggestions for discussion at the forthcoming SCA meeting of 20 February. Delegations were invited to submit their possible written comments to the PRES by Wednesday 15 February.

Contact: [REDACTED] [REDACTED] [REDACTED] DG AGRI, Assistant DDG3 Tel.: [REDACTED]

6. Distribution of foodstuff surpluses to most deprived persons and limitation of food waste (AOB)
– Information from the [REDACTED] delegation

The [REDACTED] delegation informed the delegations about its food waste legislation adopted in August 2016. Four delegations ([REDACTED] [REDACTED] [REDACTED] and [REDACTED] took the floor supporting the [REDACTED] law and highlighting their national efforts towards reduction of food waste and promotion of food donation. [REDACTED] and [REDACTED] explicitly mentioned the importance of the EU Platform on Food Waste and [REDACTED] called for better coordination on food waste within the Commission.

The Commission welcomed the [redacted] legislation and confirmed the fight against food waste to be one of its priorities. It pointed out the importance of the EU Platform on Food Waste in facilitating the exchange of best practices and their uptake at the national level. The Commission also reassured that food waste will be part of the CAP post 2020 exercise.

The Presidency took note of the [redacted] delegation point and of the comments made by the other delegations and the Commission's reply.

Contact: [redacted] - [redacted] DG SANTE, Unit 01; Tel.: [redacted]

7. Organisation of future work

The next SCA will take place on 20 February. The indicative agenda includes the following points: Organic farming and Omnibus proposal. For the Omnibus proposal, the PRES foresees an exchange of views on the PRES compromise text in order to obtain a consolidated text for the subsequent SCA of 27 February.

The [redacted] delegation also requested for the following item to be put on the agenda of the SCA meeting of 20 February: Action Plan following the G20 meeting in Berlin of 21 January 2017. The presidency took duly note of this suggestion.

Following a request made by the [redacted] delegation, the PRES also confirmed that it does not foresee to adopt (draft) Council conclusions on the future of the CAP (or public consultation) for the March AGRFISH Council planned for 6 March 2017.

Reporting: [redacted] [redacted] [redacted] DG AGRI, Unit 1.5 Tel.: [redacted]
