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From: General Secretariat of the Council
To: Delegations

Subject: Conditionality: Finding a simpler way to ensure environmental performance
- Information from the Finnish delegation, on behalf of the Czech, Danish, Estonian, Finnish, Latvian, Lithuanian, Luxembourg, Netherlands, Romanian and Swedish delegations

Delegations will find in the Annex a paper on "Conditionality: Finding a simpler way to ensure environmental performance".

The document was received from the Finnish delegation with the support of Czech Republic, Denmark, Estonia, Latvia, Lithuania, Luxembourg, Netherlands, Romania and Sweden to be dealt with under "Any other business" at the "Agriculture and Fisheries" Council on 16 July 2018.

Conditionality: Finding a simpler way to ensure environmental performance

- Conditionality versus subsidiarity, simplification and performance

Introduction

1. In order to deliver on the EU's objectives in relation to environment, climate change and biodiversity, the Commission proposes to increase the baseline of common EU-requirements substantially. To receive support, all farmers (beneficiaries) across the EU would have to fulfill the requirements of the new conditionality, i.e. an enhanced list of statutory management requirements (SMR), a revised version of the greening requirements and other good agricultural and environmental conditions (GAEC) established at the EU-level. This implies a compliance-based approach to deliver environmental ambitions.
2. CZ, DK, EE, FI, LT, LU, LV, NL, RO and SE believe that a more results-oriented approach would be both simpler and more effective. By providing incentives for farmers, targeted measures could be more ambitious and cost-effective in achieving the EU's objectives on environment, climate change and biodiversity. This would be fully in line with the new delivery model that intends a transition from a compliance-based approach to a results-oriented approach.

Subsidiarity, simplification and results [performance]

3. Focus on outcome, results and impact applies to all EU funds and increasingly so in the next Multiannual Financial Framework (MFF). The reformed Common Agricultural Policy (CAP) will need to achieve its objectives more effectively, while the European Commission has proposed a reduced budget.

4. As Commissioner Hogan has stressed, one size does not fit all in a European Union characterized by diversity. Nevertheless, conditionality is largely a ‘one size fits all’ approach. It reduces the policy’s effectiveness, since it limits room for Member States to develop targeted interventions tailored to specific national and regional needs, in line with the general idea of the new delivery model. While a number of common requirements are needed, the Union should decide on the objectives and the Member States should decide on the measures to achieve the objectives – subject to a SWOT analysis and strategic-plan approval.
5. Simplification of the CAP is crucial for all stakeholders. With the new delivery model, simplification will have to be achieved by Member States in their strategic plan.
6. However, the new conditionality adds more rules on top of cross-compliance and greening, that were complex already. Both cross-compliance and greening have been criticized for being too complex and not delivering the intended environmental benefit (cf. ECA special report 21/2007 and special report 26/2016).
7. It is of the utmost importance, that the green ambitions of the EU are achieved in the simplest and most effective way possible. Therefore, Member States must have sufficient room to decide on effective measures for their situation and to design a simple policy for the benefit of farmers, Member States, the Union and the environment.

In conclusion,

8. CZ, DK, EE, FI, LT, LU, LV, NL, RO and SE propose to simplify the requirements of conditionality and reduce their number to include only those common rules that are relevant and necessary for all farmers in all Member States across the EU, in order to allow that environmental effectiveness is achieved through a results-based approach based on incentives and targeted payments.