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NOTE

| From: | General Secretariat of the Council |
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| To: | Special Committee on Agriculture |
| No. Cion doc.: | 9645/18 + COR 1 + ADD 1 |
| Subject: | Regulation on CAP Strategic Plans |
| | Proposal on the social dimension – taking into account the scope of the CAP, national circumstances and Member States' competences |
| | - Information from the Austrian delegation, on behalf of the Austrian, Belgian, Bulgarian, Croatian, Cyprus, Czech, Finnish, Greek, Hungarian, Latvian, Maltese, Romanian and Slovak delegations |

With a view to the SCA meeting on <u>1 March 2021</u>, delegations will find in the <u>Annex</u> a common note from the Austrian delegation, on behalf of the Austrian, Belgian, Bulgarian, Croatian, Cyprus, Czech, Finnish, Greek, Hungarian, Latvian, Maltese, Romanian and Slovak delegations, on the abovementioned subject.

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Proposal by

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, Greece, Hungary, Latvia, Malta, Romania and Slovakia

on the social dimension – taking into account the scope of the CAP, national circumstances and Member States' competences

Amendment to Article 13 of the Strategic Plan Regulation

Scope

The supporting Member States would like to stress, that safeguarding workers' health, safety and fair working conditions is in principle essential for the well-functioning of all sectors, including the agricultural sector and most importantly for the well-being of the workers. Undoubtedly, workers need to be properly informed about their rights and obligations but also about risks and the safety precautions.

European law sets minimum requirements by way of proper legislation each Member State has to transform into national law (tariff agreements, labor law etc.). Legislation in the field of social policy forms a fundamental part of the socio-economic framework within the Member States. National law may vary in reflection of the Member States' individual needs, characteristics and experiences. However, this particular legal framework must be properly executed by the competent authorities.

Therefore, the competent authorities should be addressed in order to encounter possible shortcomings in executing existing EU and national legislation on social and workers' rights. In that context the supporting Member States would like to stress the fundamental role of labour inspectorates, health services or equivalent bodies in ensuring proper application and enforcement of existing legislation and instruments in the area of working conditions, including occupational health and safety.

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Social dimension

The CAP has shifted from a sectoral to a more integrated policy, in particular by expanding its scope to address the challenges and needs of rural areas. In this context, the CAP always follows the principle of sustainability, which incorporates an economic, environmental and social dimension. A direct link to the social policy, however, was neither part of the Commission proposal nor of the General approach of the Council. Also the Treaty of the Functioning of the European Union only foresees that the Union shall support and complement the activities of the Member States.

With its "Option A", the presidency proposes¹ a direct link between the compliance with national social law and the CAP payments. The supporting Member States are of the strong opinion that the CAP is not the right legal framework to implement social and workers' rights or sanction infringements. Due to the fact that European law only sets minimum requirements in the field of social policy, significant differences between Member States exist in the relevant national legislation. This might result in payment reductions or the suspension of payments based on different levels of social and labour rights and would consequently lead to a distortion of competition.

Furthermore, the supporting Member States are concerned that any form of additional "conditionality" would enormously increase administrative burden, in particular in the control and sanction system. Instead of simplification, this would mean more complexity and disproportionately extend the CAP scope. The introduction of such a fundamental provision without any impact assessment does not correspond to the common legislative standards. The supporting Member States strongly urge that the already complex designed system of conditionality should focus on climate and environmental measures, as set out in Annex III of the CSP Regulation.

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Options on social conditionality as set out in Document 5841/21

With "Option B" of the note mentioned above, the Presidency proposes that the social dimension should also be operationally taken into account in all parts of the CAP strategic plan. In line with the Commission's recommendations for the CAP strategic plans, these plans will already address the social dimension of agriculture and rural areas, in particular with regard to working conditions and the social situation in rural areas in general. However, the CAP is not designed to cover social policy issues on a wider scale, as the mix of measures in the CAP's strategic plans is insufficient to fully reflect the social needs or to replace existing national legislation and instruments on working conditions, including occupational health and safety.

Implementing conditions as set out in "Option C" of the Presidency note would create a simple link to the implementation of the Charter of Fundamental Rights of the European Union. However, there would be no further impact on the implementation of the CAP strategic plans. It remains unclear how the CAP strategic plans would specifically address social issues like working conditions, and how a potential follow up in this context would look like.

For these reasons, the supporting Member States cannot support the above-mentioned options and propose a <u>new and more suitable option</u> to address the principle social dimension of the CAP. The approach would <u>consist of a two-step approach</u>.

The first step would be to <u>enhance the role of Farm Advisory Services (FAS)</u> and taking into account the guidelines for workers in agriculture, livestock farming, horticulture and forestry, issued by the EU Agency for Occupational Health and Safety in order to respond to the information needs to both farmers and workers.

The second element would be an <u>evaluation process</u>. After three years of implementation of the CAP strategic plans, the Commission would assess how Member States have dealt with the new FAS focus on working conditions and what results this increased information transfer would have. A summary report would be presented to the co-legislators, which would then initiate a debate on whether the enhanced FAS has contributed to the proper implementation of relevant national law or whether further action is required.

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Such an approach would ensure a monitoring of the steps taken in order to guarantee the implementation of the relevant legislation. The evaluation would also be helpful to better assess the impacts for any further action.

Proposed drafting

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Member States should set farm advisory services for the purpose of improving the sustainable management and overall performance of agricultural holdings and rural businesses, covering economic, environmental and social dimensions, and to identify the necessary improvements as regards all measures at farm level provided for in the CAP Strategic Plans. These farm advisory services should help farmers and other beneficiaries of CAP support to become more aware of the relationship between farm management and land management on the one hand, and certain standards, requirements and information, including environmental and climate ones, on the other hand. The list of the latter includes standards applying to or necessary for farmers and other CAP beneficiaries and set in the CAP Strategic Plan, as well as those stemming from the legislation on water, on the sustainable use of pesticides, as well as the initiatives to combat antimicrobial resistance and the management of risks. When implementing the farm advisory services Member States should ensure that information on awareness of conditions of employment and/or employer obligations as well as occupational health and safety are sufficiently taken into account. An evaluation of the implementation should be carried out by the Commission by [30.06.2026]. In order to enhance the quality and effectiveness of the advice, Member States should integrate advisors within the Agricultural Knowledge and Innovation Systems (AKIS), in order to be able to deliver up-to-date technological and scientific information developed by research and innovation Article 13 Farm advisory services:

Article 13

4. The farm advisory services shall cover at least the following:

(faa) conditions of employment and/or employer obligations as well as occupational health and safety

5. By [30.06.2026], the Commission shall present an evaluation report on the implementation of the point (faa) of paragraph 4, in particular to assess whether the farm advisory services have substantially contributed to a higher level of awareness regarding the conditions of employment and/or employer obligations as well as occupational health and safety and if further initiatives are required to better reflect the social dimension of the CAP;

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